

# **Eastern Iowa Community College District**

Financial and Compliance Report

06.30.2004

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## Eastern Iowa Community College District

### Officials

Name	Title	Term Expires
Board of Directors:		
Kirby Kleffmann	President	2004
John W. Fagerland	Vice-President	2004
Dr. Joseph D'Souza	Member	2004
Mary Lou Engler	Member	2005
John W. Frampton	Member	2006
Robert H. Gallagher	Member	2005
Richard Haiston	Member	2006
Shirley Stewart	Member	2006
Bill Vetter	Member	2005
Community College:		
Dr. Patricia Keir	Chancellor	
Honey H. Bedell	Board Secretary	
Lana J. Dettbarn	Board Treasurer	

# McGladrey & Pullen

Certified Public Accountants

## Independent Auditor's Report

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

We have audited the accompanying basic financial statements of Eastern Iowa Community College District (District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component units which represent 100% of the assets and revenues of the discretely presented component units. The financial statements of Muscatine Community College Foundation, Scott Community College Foundation, and Paul B. Sharar Foundation for Clinton Campus, were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. The Scott Community College Urban Campus Foundation is unaudited.

We conducted our audit of the District in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 11 of the Code of Iowa. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The discretely presented component units were not audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States or Chapter 11 of the Code of Iowa. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

As described in Note 1 to the basic financial statements, Paul B. Sharar Foundation for Clinton Campus and Scott Community College Urban Campus Foundation's financial statements are prepared on the income tax basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Muscatine Community College Foundation's financial statements are prepared on the modified cash receipts and disbursements basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the reports of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Eastern Iowa Community College District and its discretely presented component units, except for the Scott Community College Urban Campus Foundation which is unaudited as of June 30, 2004, and the respective changes in financial position and cash flows where applicable thereof for the year then ended on the basis of accounting described in Note 1 to the basic financial statements.

As described in Note 11 to the financial statements, during the year ended June 30, 2004, the District adopted Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which resulted in the inclusion of Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Urban Campus Foundation as discretely presented component units in the District's basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2004 on our consideration of Eastern Iowa Community College District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the Budgetary Comparison Schedule of Expenditures are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Eastern Iowa Community College District's basic financial statements. The statements and schedules listed in the table of contents as supplementary information, as well as the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
October 29, 2004

## **Eastern Iowa Community College District**

### **Management's Discussion and Analysis**

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Management of Eastern Iowa Community College District provides this Management's Discussion and Analysis of the District's annual financial statements. This narrative overview and analysis of the financial activities of Eastern Iowa Community College is for the fiscal year ended June 30, 2004. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Eastern Iowa Community College District is a public, comprehensive community college district established by Iowa Code 260C.1 in 1966 that includes Clinton, Muscatine, and Scott Community Colleges. The District encompasses all or part of seven counties, serving a population base of almost 280,000 citizens. Each semester, the District serves 6,820 full-time equivalent credit students in approximately 60 arts and science and 80 career technology programs. Non-credit programming serves 24,842 participants each semester in areas such as adult basic education, job skills training, English as a Second Language, computer skills training, state-mandated training, community interest classes and developmental education. The District provides a variety of services and customized training for business and industry and offers more targeted training through its three technology centers, the Advanced Technology Environmental Education Center (ATEEC), the Graphic Arts Technology Center, and the Eastern Iowa Manufacturing Technology Center.

The District is governed by a nine-member Board of Directors whose members are elected to three-year terms by voters within their individual districts. The EICCD colleges are accredited as a single district as part of the Higher Learning Commission/North Central Association's Academic Quality Improvement Project (AQIP), an alternative accreditation method based on the National Baldrige Education Criteria. EICCD was one of the first colleges in the nation to seek this type of accreditation, as a result of its strong commitment to continuous quality improvement.

In addition to its three main campuses in Bettendorf, Clinton, and Muscatine, EICCD operates additional attendance sites in Clinton, Columbus Junction, Davenport, and Maquoketa. The District has a strong emphasis on creating partnerships with area K-12 schools, other higher education institutions, local governments, and business and industry. These partnerships, along with a focused effort to secure grant funding, have allowed the District to continue to serve the needs of its communities, even in times of decreased state funding.

The District has the following discretely presented component units: Muscatine Community College Foundation, Paul B. Sharer Foundation for Clinton Campus, Scott Community College Foundation, and Scott Community Urban Campus Foundation (Foundations). The Foundations' purpose is to support the District through donations to provide scholarships to the students and for the enhancement and extension of facilities, equipment, and services.

### **Financial Highlights**

- District revenues totaled \$54,519,772 compared to \$49,125,408 for 2003. Tuition and fees, federal appropriations, and Iowa New Jobs Training Program revenues increased. Property taxes revenue decreased slightly while state appropriations and interest earnings modestly increased.
- District operating expenses were \$52,643,801 compared to \$47,420,387 for 2003. Liberal arts and sciences, adult education, and auxiliary enterprises increased, while general administration, general institution, and Workforce Investment Act decreased.
- The District's net assets increased \$1,543,118 or approximately 3.6% from fiscal year 2003 increase in net assets of \$1,348,338.

## **Eastern Iowa Community College District**

### **Management's Discussion and Analysis**

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#### **Using This Annual Report**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities.

The basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets and a statement of cash flows. These provide information about the activities of the District as a whole and present an overall view of the District's finances. The District presents schedules of discretely presented component units' financial statements in separate presentations.

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year, and the supplementary information provides detailed information about the individual funds of the District.

#### **Reporting the District as a Whole**

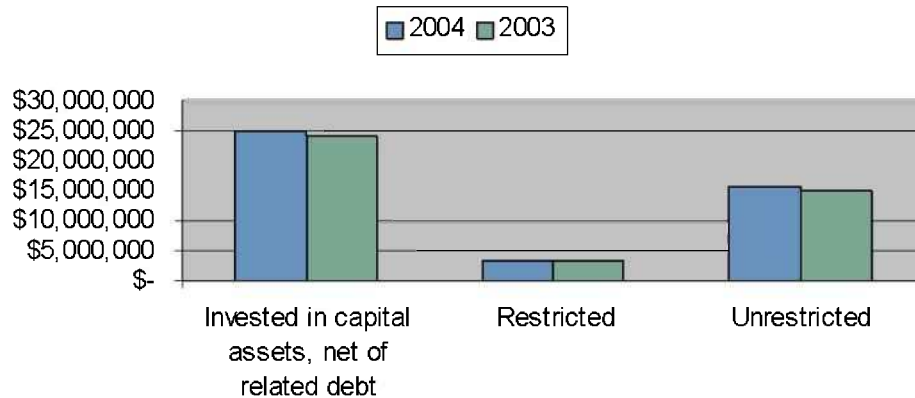
Statement of Net Assets: The statement of net assets presents the assets, liabilities, and net assets of the District as a whole, as of the end of the fiscal year June 30, 2004. The statement of net assets is a point-in-time financial statement. The purpose of this statement is to present a fiscal snapshot of the District to the readers of the financial statements. The statement of net assets includes year-end information concerning current and noncurrent assets, current and noncurrent liabilities, and net assets (assets less liabilities). Over time, readers of the financial statements will be able to determine the District's financial position by analyzing the increases and decreases in net assets. This statement is also a good source for readers to determine how much the District owes to outside vendors and creditors. The statement also presents the available assets that can be used to satisfy those liabilities.

## Eastern Iowa Community College District

### Management's Discussion and Analysis

Net Assets	June 30,	
	2004	2003
Current and other assets	\$ 63,600,508	\$ 56,944,699
Capital assets, net of accumulated depreciation	31,052,318	30,357,103
<b>Total assets</b>	<b>94,652,826</b>	<b>87,301,802</b>
Current liabilities	18,722,687	15,030,964
Noncurrent liabilities	32,034,501	29,918,318
<b>Total liabilities</b>	<b>50,757,188</b>	<b>44,949,282</b>
Net assets:		
Invested in capital assets, net of related debt	25,097,391	23,907,177
Restricted	3,261,477	3,366,097
Unrestricted	15,536,770	15,079,246
<b>Total net assets</b>	<b>\$ 43,895,638</b>	<b>\$ 42,352,520</b>

### Comparison of Net Assets



The largest portion of the District's net assets (57%) for 2004 and (56%) for 2003 is the invested in capital assets (e.g., land, buildings, and equipment), less the related debt. The debt related to the invested in capital assets is liquidated with resources other than capital assets. The restricted portion of the net assets (8%) for 2004 and 2003 includes resources that are subject to external restrictions. The remaining net assets (35%) for 2004 and (36%) for 2003 are the unrestricted net assets that can be used to meet the District's obligations as they come due.



## Eastern Iowa Community College District

### Management's Discussion and Analysis

Statement of Revenues, Expenses, and Changes in Net Assets: Changes in total net assets as presented on the statement of net assets are based on the activity presented in the statement of revenues, expenses, and changes in net assets. The purpose of the statement is to present the revenues received by the District, both operating and nonoperating, and the expenses paid by the District, operating and nonoperating, and any other revenues, expenses, gains, and losses received or spent by the District.

In general, a public college, such as Eastern Iowa Community College District, will report an operating loss since financial reporting model classifies state appropriations and property taxes as nonoperating revenues. Operating revenues are received for providing goods and services to the various students, customers, and constituencies of the District. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the District. Nonoperating revenues are revenues received for which goods and services are not provided. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life.

<b>Changes in Net Assets</b>	Year Ended June 30,	
	2004	2003
Revenues:		
Tuition and fees	\$ 9,988,847	\$ 9,898,989
Federal appropriations	12,627,087	12,042,761
Iowa New Jobs Training Program	5,715,000	3,758,312
Auxiliary enterprises revenue	3,027,079	2,870,885
Gifts and grants	127,042	160,394
Sales and service	1,121,407	631,733
Miscellaneous	2,289,219	291,605
State appropriations	13,082,865	13,049,738
Property taxes	5,705,718	5,777,008
Interest earnings	835,508	643,983
<b>Total revenues</b>	<b>54,519,772</b>	<b>49,125,408</b>
Total operating expenses	52,643,801	47,420,387
Interest on indebtedness	332,853	356,683
<b>Total expenses</b>	<b>52,976,654</b>	<b>47,777,070</b>
<b>Increase in net assets</b>	<b>1,543,118</b>	<b>1,348,338</b>
Net assets:		
Beginning	42,352,520	41,004,182
Ending	<u>\$ 43,895,638</u>	<u>\$ 42,352,520</u>

## Eastern Iowa Community College District

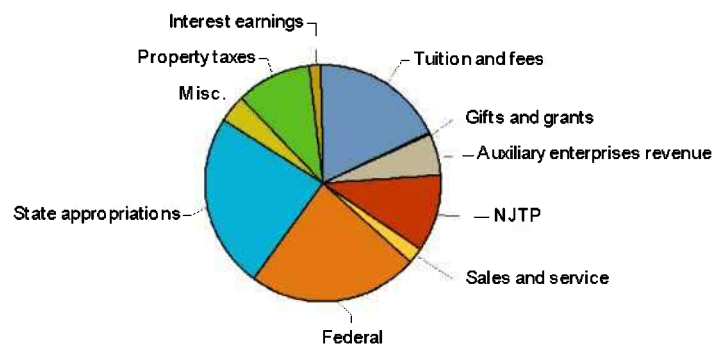
### Management's Discussion and Analysis

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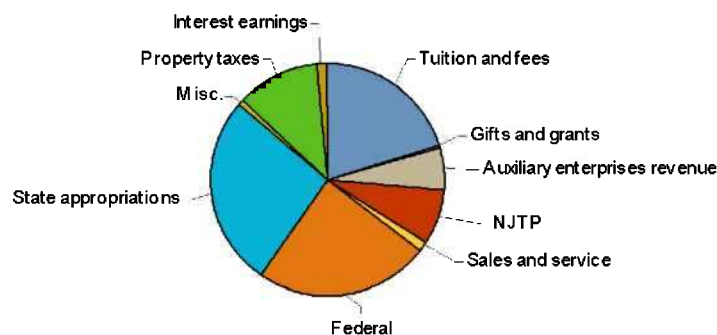
#### Total Revenue by Source

The statement of revenues, expenses, and changes in net assets reflects positive years for both 2004 and 2003, with an increase in the net assets of \$1,543,118 and \$1,348,338, respectively.

**2004**



**2003**



In fiscal year 2004, the major fluctuations in revenues were a result of the following changes:

- ◆ Federal student financial aid programs increased due to the increase in students and federal appropriations overall increased by approximately \$584,326 or 4.9%.
- ◆ Iowa New Jobs Training Program increased by \$1,956,688 or 52% due to more company's participation.
- ◆ Miscellaneous revenue increased due to contributions from the Foundations.

## Eastern Iowa Community College District

### Management's Discussion and Analysis

In fiscal year 2003, the major fluctuations on revenues were a result of the following changes:

- ◆ Tuition and fees increased by approximately \$845,000 or 6.7% due to a slight increase in number of students.
- ◆ Federal student financial aid programs increased due to the increase in students and federal appropriations overall increased by approximately \$1,050,000 or 19.5%.
- ◆ Auxiliary enterprises revenues increased by approximately \$245,000 or 6.5% due partially to additional students purchasing books and supplies.

#### Operating Expenses

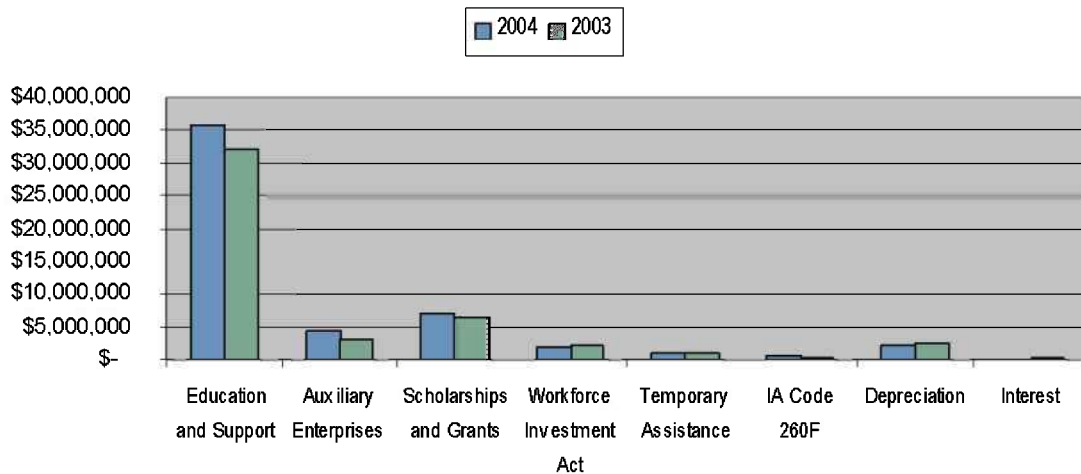
	Year Ended June 30,	
	2004	2003
Education and support:		
Liberal arts and sciences	\$ 7,447,133	\$ 6,941,793
Vocational technical	8,325,742	8,058,867
Adult education	3,855,508	3,607,009
Cooperative services	1,611,521	261,493
General administration	2,124,097	1,440,245
Student services	2,883,664	2,843,830
Learning resources	1,075,091	1,011,977
Physical plant	4,374,080	3,848,661
General institution	4,103,440	4,024,645
Auxiliary enterprises	4,244,789	3,183,833
Scholarships and grants	7,083,968	6,439,471
Workforce Investment Act	1,957,477	2,221,007
Temporary Assistance for Needy Families	1,021,825	949,683
Iowa Code 260F Jobs Training	485,298	288,718
Depreciation	2,050,168	2,299,155
<b>Total operating expenses</b>	<b>\$ 52,643,801</b>	<b>\$ 47,420,387</b>

## Eastern Iowa Community College District

### Management's Discussion and Analysis

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#### Total Expenses



In fiscal year 2004, the major fluctuations in operating expenses were a result of the following factors:

- ◆ Liberal arts and sciences, vocational technical, and adult education, the three functions relating to student instruction, increased approximately \$1,020,714 or 5.5%. This was due to the increase in the number of students.
- ◆ Cooperative services increased by approximately \$1,350,028 or 516% as a result of larger payments made to the companies participating in the Iowa Industrial New Jobs Training Program. These expenses are dependent on the needs of the participating companies.
- ◆ Scholarships and grants increased approximately \$644,497 or 10%.

In fiscal year 2003, the major fluctuations in operating expenses were a result of the following factors:

- ◆ Liberal arts and sciences, vocational technical, and adult education, the three functions relating to student instruction, increased approximately \$408,000 or 2.2%. This was due to the increase in the number of students and an increase in personal services.
- ◆ Cooperative services decreased by approximately \$(1,585,000) or (22.9%) as a result of smaller payments made to the companies participating in the Iowa Industrial New Jobs Training Program. These expenses are dependent on the needs of the participating companies.
- ◆ Scholarships and grants increased approximately \$1,050,000 or 19.5%.

## Eastern Iowa Community College District

### Management's Discussion and Analysis

**Statement of Cash Flows:** The statement of cash flows is an important tool in helping the users to assess the District's ability to generate future net cash flows, its ability to meet its obligations as they come due, and its need for external financing. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital financing, and investing activities.

#### Cash Flows

	Year Ended June 30,	
	2004	2003
Cash provided by (used in):		
Operating activities	\$ (14,556,793)	\$ (15,209,816)
Noncapital financing activities	21,853,193	16,954,367
Capital and related financing activities	(3,564,274)	(2,698,113)
Investing activities	(1,869,430)	5,032,993
<b>Net increase in cash</b>	<b>1,862,696</b>	<b>4,079,431</b>
Cash:		
Beginning	22,785,895	18,706,464
Ending	<u>\$ 24,648,591</u>	<u>\$ 22,785,895</u>

Cash used for operating activities includes tuition, fees, grants, and contracts, net of payments to employees and to suppliers. Cash provided by noncapital financing activities includes state appropriations and local property taxes received by the District. Cash used by capital and related financing activities represents the proceeds from debt, the principal and interest payments on debt, and the purchase of capital assets. Cash provided by investing activities includes investment income earned.

#### Capital Assets

As of June 30, 2004, the District has \$56,347,741 invested in capital assets, net of accumulated depreciation of \$25,295,424. Depreciation charges totaled \$2,050,168 for fiscal year 2004. As of June 30, 2003, the District has \$53,778,174 invested in capital assets, net of accumulated depreciation of \$23,421,129. Depreciation charges totaled \$2,299,155. Details of the capital assets are shown below.

Capital Assets	June 30,	
	2004	2003
Land	\$ 1,935,974	\$ 1,935,974
Buildings	46,340,663	43,736,455
Other structures and improvements	3,264,809	3,264,809
Furniture and equipment	4,806,296	4,840,936
<b>Totals</b>	<u><b>\$ 56,347,742</b></u>	<u><b>\$ 53,778,174</b></u>

More detailed information about the District's capital assets is presented in Note 3 to the basic financial statements.

## Eastern Iowa Community College District

### Management's Discussion and Analysis

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#### **Debt**

As of June 30, 2004, the District had \$35,272,500 in debt outstanding, excluding compensated absences of \$1,231,478, an increase of \$2,565,000 from 2003. The majority of the increase is due to an increase in certificates payable issued. As of June 30, 2003, the District had \$32,707,500 in debt outstanding, excluding compensated absences of \$1,287,158 which represented a decrease of \$2,357,500 from 2002. The table below summarizes these amounts by type.

<b>Outstanding Debt</b>	June 30,	
	2004	2003
Capital loan notes	\$ 3,740,000	\$ 4,180,000
Certificates payable	29,400,000	26,340,000
Note payable	187,500	212,500
Revenue bonds payable	1,945,000	1,975,000
	<u>\$ 35,272,500</u>	<u>\$ 32,707,500</u>

More detailed information about the District's outstanding debt is presented in Note 4 to the basic financial statements.

#### **Economic Factors**

Eastern Iowa Community College District continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state continues to be a concern for District officials. Some of the realities that may potentially become challenges for the District to meet are:

- ◆ State aid will remain virtually unchanged or decrease.
- ◆ Expenses will continue to increase. As the number of students increases, the costs associated with serving them continue to increase, but not more than the respective increase in tuition income.
- ◆ Facilities at the District require constant maintenance and upkeep, but these expenditures will be funded through the Plant Fund.

The District anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the District's ability to react to unknown issues.

#### **Contacting the District's Financial Management**

This financial report is designed to provide our customers, taxpayers in the community college district, and our creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about the report or need additional financial information, contact Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

# Eastern Iowa Community College District

## Statement of Net Assets - Primary Institution

June 30, 2004

### Assets

Current Assets:	
Cash and cash equivalents	\$ 24,648,591
Investments	18,246,046
Receivables:	
Property taxes	5,349,839
Due from other governments	2,331,262
Other, net of allowance for uncollectible accounts of \$52,731	1,463,174
Inventories	626,659
<b>Total current assets</b>	<b>52,665,571</b>
Noncurrent Assets:	
Due from Iowa Industrial New Jobs Training Program	10,934,937
Capital assets:	
Land	1,935,974
Buildings	46,340,663
Other structures and improvements	3,264,809
Furniture and equipment	4,806,296
Accumulated depreciation	(25,295,424)
<b>Total noncurrent assets</b>	<b>41,987,255</b>
<b>Total assets</b>	<b>\$ 94,652,826</b>

### Liabilities and Net Assets

Current Liabilities:	
Accounts payable	\$ 3,798,140
Salaries and benefits payable	3,358,556
Accrued interest payable	160,535
Deferred revenue	6,319,747
Assets held in custody for others	616,232
Compensated absences	24,477
Certificates payable	3,925,000
Notes and bonds payable	520,000
<b>Total current liabilities</b>	<b>18,722,687</b>
Noncurrent Liabilities:	
Compensated absences	1,207,001
Certificates payable	25,475,000
Notes and bonds payable	5,352,500
<b>Total noncurrent liabilities</b>	<b>32,034,501</b>
<b>Total liabilities</b>	<b>50,757,188</b>
Net Assets:	
Invested in capital assets, net of related debt	25,097,391
Restricted for:	
Education and support	2,857,009
Property taxes cash reserve	404,468
Unrestricted	15,536,770
<b>Total net assets</b>	<b>43,895,638</b>
<b>Total liabilities and net assets</b>	<b>\$ 94,652,826</b>

See Notes to Basic Financial Statements.

# Eastern Iowa Community College District

## Statement of Revenues, Expenses, and Changes in Net Assets - Primary Institution Year Ended June 30, 2004

Operating revenues:	
Tuition and fees, net of scholarship allowances of \$3,919,694	\$ 9,988,847
Federal appropriations	12,627,087
Iowa Industrial New Jobs Training Program	5,715,000
Auxiliary enterprises revenue, net of allowances of \$1,317,675	3,027,079
Gifts and grants	127,042
Sales and services	1,121,407
Miscellaneous	2,289,219
<b>Total operating revenues</b>	<b>34,895,681</b>
Operating expenses:	
Education and support:	
Liberal arts and sciences	7,447,133
Vocational technical	8,325,742
Adult education	3,855,508
Cooperative services	1,611,521
General administration	2,124,097
Student services	2,883,664
Learning resources	1,075,091
Physical plant	4,374,080
General institution	4,103,440
Auxiliary enterprises	4,244,789
Scholarships and grants	7,083,968
Workforce Investment Act	1,957,477
Temporary Assistance for Needy Families	1,021,825
Iowa Code 260F Jobs Training	485,298
Depreciation expense	2,050,168
<b>Total operating expenses</b>	<b>52,643,801</b>
<b>Operating (loss)</b>	<b>(17,748,120)</b>
Nonoperating revenues (expenses):	
State appropriations	13,082,865
Property taxes	5,705,718
Investment earnings	835,508
Interest on indebtedness	(332,853)
<b>Net nonoperating revenues</b>	<b>19,291,238</b>
<b>Increase in net assets</b>	<b>1,543,118</b>
Net assets:	
Beginning	42,352,520
Ending	<b>\$ 43,895,638</b>

See Notes to Basic Financial Statements.



# Eastern Iowa Community College District

## Statement of Cash Flows - Primary Institution

Year Ended June 30, 2004

Cash Flows from Operating Activities:	
Tuition and fees	\$ 9,988,847
Federal appropriations	12,069,026
Iowa Industrial New Jobs Training Program	6,404,365
Payments to employees for salaries and benefits	(27,059,666)
Payments to suppliers for goods and services	(13,110,743)
Scholarships	(7,083,968)
Auxiliary enterprise	3,027,079
Other receipts	1,208,267
<b>Net cash (used in) operating activities</b>	<b>(14,556,793)</b>
Cash Flows from Noncapital Financing Activities:	
State appropriations	13,082,865
Property taxes	5,722,221
Proceeds from certificates payable	6,785,000
Payments on certificates payable	(3,725,000)
Miscellaneous Agency Fund receipts	1,398,023
Miscellaneous Agency Fund disbursements	(1,409,916)
<b>Net cash provided by noncapital financing activities</b>	<b>21,853,193</b>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(2,745,383)
Principal paid on notes and bonds payable	(495,000)
Interest paid on notes and bonds payable	(323,891)
<b>Net cash (used in) capital and related financing activities</b>	<b>(3,564,274)</b>
Cash Flows from Investing Activities:	
Interest on investments	1,085,216
Purchase of investments	(2,954,646)
<b>Net cash (used in) investing activity</b>	<b>(1,869,430)</b>
<b>Net increase in cash</b>	<b>1,862,696</b>
Cash:	
Beginning	22,785,895
Ending	<b>\$ 24,648,591</b>
Reconciliation of operating loss to net cash (used in) operating activities:	
Operating (loss)	\$ (17,748,120)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:	
Depreciation	2,050,168
Changes in assets and liabilities:	
(Increase) in due from other governments	(516,666)
(Increase) in other receivables	(61,271)
Decrease in prepaid expenses	119,834
(Increase) in inventories	(94,778)
(Increase) in due from Iowa New Jobs Training Program	(1,269,312)
Increase in accounts payable	2,558,103
Increase in salaries and benefits payable	460,929
(Decrease) in compensated absences	(55,680)
<b>Total adjustments</b>	<b>3,191,327</b>
<b>Net cash (used in) operating activities</b>	<b>\$ (14,556,793)</b>

See Notes to Basic Financial Statements.

# Eastern Iowa Community College District

## Statement of Net Assets - Discretely Presented Component Units

	June 30, 2004		December 31, 2003	
	Muscatine	August 30, 2003	Scott	Scott
	Community	Paul B. Sharar	Community	Community
	College	Foundation for	College	Urban Campus
	Foundation	Clinton Campus	Foundation	Foundation
<b>Assets</b>				<b>(Unaudited)</b>
Current Assets:				
Cash and cash equivalents	\$ 6,830	\$ 41,033	\$ 263,922	\$ -
Investments	-	1,690,145	1,463,853	113,609
Receivables	-	-	8,100	-
<b>Total current assets</b>	<b>6,830</b>	<b>1,731,178</b>	<b>1,735,875</b>	<b>113,609</b>
Noncurrent Assets:				
Note receivable	187,500	-	-	834,588
Investments	5,359,283	-	-	-
Capital assets, other structures and improvements	-	-	-	2,508,525
<b>Total noncurrent assets</b>	<b>5,546,783</b>	<b>-</b>	<b>-</b>	<b>3,343,113</b>
<b>Total assets</b>	<b>\$ 5,553,613</b>	<b>\$ 1,731,178</b>	<b>\$ 1,735,875</b>	<b>\$ 3,456,722</b>
<b>Liabilities and Net Assets</b>				
Current Liabilities, dividends payable	\$ 1,479	\$ -	\$ -	\$ -
Noncurrent Liabilities, other	1,414	-	-	-
<b>Total liabilities</b>	<b>2,893</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Assets:				
Invested in capital assets, net of related debt	-	-	-	2,508,525
Restricted for scholarships and grants	5,536,270	1,681,930	1,580,780	-
Unrestricted	14,450	49,248	155,095	948,197
<b>Total net assets</b>	<b>5,550,720</b>	<b>1,731,178</b>	<b>1,735,875</b>	<b>3,456,722</b>
<b>Total liabilities and net assets</b>	<b>\$ 5,553,613</b>	<b>\$ 1,731,178</b>	<b>\$ 1,735,875</b>	<b>\$ 3,456,722</b>

See Notes to Basic Financial Statements.

**Eastern Iowa Community College District**

**Statement of Revenues, Expenses, and Changes in Net Assets - Discretely Presented Component Units**

	Year Ended June 30, 2004	Year Ended August 30, 2003	Year Ended December 31, 2003	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Scott Community Urban Campus Foundation <b>(Unaudited)</b>
Revenues:				
Operating revenue, gifts and grants	\$ 338,773	\$ 201,052	\$ 474,907	\$ -
Expenses:				
Operating expenses:				
Scholarships and grants	205,974	135,363	544,445	-
Miscellaneous expense	4,416	2,500	8,610	-
<b>Total operating expenses</b>	<b>210,390</b>	<b>137,863</b>	<b>553,055</b>	<b>-</b>
<b>Operating income (loss)</b>	<b>128,383</b>	<b>63,189</b>	<b>(78,148)</b>	<b>-</b>
Nonoperating revenues (expenses), investment earnings (loss)	516,486	(24,125)	224,571	-
<b>Increase in net assets</b>	<b>644,869</b>	<b>39,064</b>	<b>146,423</b>	<b>-</b>
Net assets:				
Beginning	4,905,851	1,692,114	1,589,452	3,456,722
Ending	<u>\$ 5,550,720</u>	<u>\$ 1,731,178</u>	<u>\$ 1,735,875</u>	<u>\$ 3,456,722</u>

See Notes to Basic Financial Statements.

# Eastern Iowa Community College District

## Statement of Cash Flows - Discretely Presented Component Units

	Year Ended June 30, 2004	Year Ended August 30, 2003	Year Ended December 31, 2003	
	Muscatine Community College Foundation	Paul B. Sharar Foundation for Clinton Campus	Scott Community College Foundation	Scott Community Urban Campus Foundation (Unaudited)
Cash Flows from Operating Activities:				
Gifts and grants	\$ 338,773	\$ 201,052	\$ 474,907	\$ -
Payments to suppliers for goods and services	(4,535)	(2,500)	(8,610)	-
Scholarships and grants	(205,974)	(135,363)	(544,445)	-
<b>Net cash provided by (used in) operating activities</b>	<b>128,264</b>	<b>63,189</b>	<b>(78,148)</b>	<b>-</b>
Cash Flows from Investing Activities:				
Proceeds from note receivable	25,000	-	-	-
Interest received	205,970	-	16,882	-
Purchase of Investments	(353,992)	(145,068)	(324,922)	-
Proceeds from sale or maturity of investments	-	-	258,365	-
<b>Net cash (used in) investing activity</b>	<b>(123,022)</b>	<b>(145,068)</b>	<b>(49,675)</b>	<b>-</b>
<b>Net (decrease) in cash</b>	<b>5,242</b>	<b>(81,879)</b>	<b>(127,823)</b>	<b>-</b>
Cash:				
Beginning	1,588	122,912	391,745	-
Ending	<u>\$ 6,830</u>	<u>\$ 41,033</u>	<u>\$ 263,922</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 128,383	\$ 63,189	\$ (78,148)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities, changes in assets and liabilities, (decrease) in dividend payable	(119)	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 128,264</b>	<b>\$ 63,189</b>	<b>\$ (78,148)</b>	<b>\$ -</b>
Schedule of noncash investing activities, net appreciation (depreciation) on investments	\$ 310,516	\$ -	\$ (209,189)	\$ -

See Notes to Basic Financial Statements.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 1. Reporting Entity and Significant Accounting Policies

##### Financial reporting entity:

Eastern Iowa Community College District (District) is a publicly-supported post-secondary two-year institution established and operated by Merged Area IX under the provisions of Chapter 260C of the Code of Iowa.

In fulfilling the responsibilities assigned to it by law, Eastern Iowa Community College District offers a comprehensive educational program and support services to serve local and state needs. The District offers arts and science courses, career education, adult education, and cooperative programs as its curriculum. In addition, the District acts as an agency for the State of Iowa in connection with the Workforce Investment Act. The Eastern Iowa Community College District maintains campuses in Bettendorf, Clinton, and Muscatine and has its administrative offices in Davenport. The Eastern Iowa Community College District is governed by a Board of Directors whose members are elected from each district within Merged Area IX.

Accounting principles generally accepted in the United States of America require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. In addition, the GASB issued Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which sets forth additional criteria to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. These criteria include (1) the economic resources being received or held by the separate organization being entirely or almost entirely for the direct benefit of the District or its constituents, (2) the District being entitled to, or having the ability to otherwise access, a majority of the economic resources received or held by the District, and (3) the economic resources received or held by an individual organization that the District is entitled to, or has the ability to otherwise access, are significant to the District.

The District is considered to be a primary government and has included Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Urban Campus Foundation as discretely presented component units in their basic financial statements in the current year with the adoption of GASB Statement No. 39 due to the nature of their relationship with the District.

The District Foundations are non-profit corporations, governed by a separate Board of Directors. The Foundations' purpose is to support the District through donations to provide scholarships to students, and for the enhancement and extension of facilities, equipment, and services. The Foundations operate on the following fiscal year-ends:

Muscatine Community College Foundation	June 30, 2004
Paul B. Sharar Foundation for Clinton Campus	August 30, 2003
Scott Community College Foundation	December 31, 2003
Scott Community Urban Campus Foundation	December 31, 2003

Separate financial statements for the discretely presented component units can be obtained at Eastern Iowa Community College District, 306 West River Drive, Davenport, Iowa 52801.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 1. Reporting Entity and Significant Accounting Policies (Continued)

The Scott Community College Foundation is presented on the accrual basis of accounting. The Muscatine Community College Foundation prepares its financial statements on the basis of modified cash receipts and disbursements which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Paul B. Sharar Foundation for Clinton Campus prepares its financial statements on the income tax basis which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Scott Community College Urban Campus Foundation is unaudited and prepared on the income tax basis which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States.

#### Significant accounting policies:

Financial statement presentation: The basic financial statements (i.e., the statements of net assets, revenues, expenses, and changes in net assets, and cash flows) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

Measurement focus and basis of accounting: For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined in GASB Statement No. 34. Accordingly, the basic financial statements of the District have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Accounting standards: The District follows Governmental Accounting Standards Board (GASB) pronouncements as well as following all Financial Accounting Board Statements and Interpretations, Accounting Principles Board Opinion and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Cash and cash equivalents: For purposes of the statement of cash flows, all short-term deposits or cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily converted to known amount of cash and at the date of purchase, have a maturity no longer than three months.

Investments: Investments are stated at their fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Property taxes receivable: Property taxes receivable is recognized on the levy or lien date, which is the date that the tax asking is certified by the Board of Directors to the appropriate County Auditors. Current year delinquent property tax receivable represents unpaid taxes from the current year. The succeeding year property tax receivable represents taxes certified by the Board of Directors to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the Board of Directors is required to certify its budget to the County Auditor by March 15 of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred and will not be recognized as revenue until the year for which it is levied.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 1. Reporting Entity and Significant Accounting Policies (Continued)

Due from Iowa Industrial New Jobs Training Program (NJTP): This receivable represents the total amount to be remitted to the District for training projects entered into between the District and employers under the provisions of Chapter 260E of the Code of Iowa. The receivable amount is based on NJTP project expenditures incurred through June 30, 2004, plus interest incurred on NJTP certificates, less reimbursements received to date.

Due from other governments: This asset represents state aid, grants and reimbursements due from the State of Iowa, and grants and reimbursements due from the federal government.

Inventories: Inventories are stated at the lower of cost or market (first-in, first-out) method. As of June 30, 2004 inventories are as follows:

	Unrestricted Current Funds
Bookstore	\$ 588,069
Parts	35,762
Supplies	2,828
	<u>\$ 626,659</u>

Capital assets: Capital assets, which include land, buildings, other structures and improvements, and furniture and equipment are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the assets or materially extend asset lives are not capitalized. No interest costs were capitalized since there were no qualifying assets.

Capital assets are defined by the District as assets with initial, individual costs in excess of \$5,000 and estimated useful lives in excess of one year.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings and other structures and improvements	25
Furniture and equipment	7

The District does not capitalize or depreciate their library book collection. This collection is unencumbered, held for public education, protected, cared for, and preserved and the proceeds from the sale of library books, if any, are not material to the District.

Salaries and benefits payable: Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities. Expenditures for employees who have elected and been approved for early retirement are also accrued in this liability.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 1. Reporting Entity and Significant Accounting Policies (Continued)

Deferred revenue: Deferred revenue represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets have not been spent for their intended purpose restriction. Deferred revenue consists of unspent grant proceeds and the succeeding year property tax receivable.

Compensated absences: District employees accumulate a limited amount of earned but unused vacation for subsequent use. Earned, but unused vacation is paid to the employee upon termination, death, or retirement. Amounts representing the cost of compensated absences are recorded as compensated absences. These liabilities have been computed based on rates of pay in effect at June 30, 2004.

Accrued interest payable: Interest on long-term bonded indebtedness is recorded as a liability when the interest is payable.

Net assets: Net assets are classified according to restrictions or availability of assets for satisfaction of District obligations. Invested in capital assets, net of related debt represents the net value of capital assets less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended, but restricted for capital purchases. Restricted net assets represent the amounts segregated for specific purposes as allowed by the Code of Iowa, bond covenants, donors, or outside agencies. All remaining net assets are unrestricted for legal purposes, but may be designated for specific purposes. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Auxiliary enterprises revenues and expenses: Auxiliary enterprises revenues and expenses primarily represent revenues generated and expenses associated with bookstore, cafeteria, daycare, parts, and printing.

Summer session: The District operates summer sessions. Revenues and expenses for the summer sessions are recorded in the appropriate fiscal year.

Tuition and fees: Tuition and fees revenues are reported net of scholarship allowances, while stipends and other payments made directly to students are presented as scholarship expenses.

Operating and nonoperating activities: Operating activities, as reported in the statement of revenues, expenses, and changes in net assets, are transactions that result from exchange transactions, such as payments received for providing services and payments made for services or goods received. Nonoperating activities include state appropriations, property tax, interest earnings, and interest on indebtedness.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Scholarship allowances and student aid: Financial aid to students is reported in the financial statements, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties, and Federal Direct Lending) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances which reduce revenue. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.



## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 2. Deposits and Investments

As of June 30, 2004, the District's carrying amount of deposits, excluding \$8,050 of petty cash, totaled \$24,640,541 with a bank balance of \$26,400,808. The District's cash and its investment in certificates of deposit as of June 30, 2004 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This Chapter provides for additional assessments against the depositories to ensure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government; its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Directors; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year-end. Category 1 includes securities that are insured, registered, or held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered securities held by the counterparty's trust department or its agent in the District's name. Category 3 includes uninsured and unregistered securities held by the counterparty or by its trust or safekeeping department or its agent, but not in the District's name.

	Carrying Amount			Total
	Category			
	1	2	3	
U.S. Treasury bonds	\$ -	\$ -	\$ 6,335,597	\$ 6,335,597
Investments not required to be categorized, money market mutual funds				11,910,449
<b>Total investments</b>				<u>\$ 18,246,046</u>

The District's investments during the year did not vary substantially from those at year-end in amount or level of risk.

Excluded from the cash and investment amount, disclosed immediately above, are cash and investments of \$8,938,675 which belong to the component units of the District. Investments of the component units consist principally of U.S. Treasury notes, corporate securities, agencies, equities, and mutual funds. Categorizations of risk for the component units are not available.

# Eastern Iowa Community College District

## Notes to Basic Financial Statements

### Note 3. Capital Assets

Capital assets activity for the year ended June 30, 2004 is as follows:

	Balance, June 30, 2003	Additions	Deletions	Balance June 30, 2004
Capital assets, not being depreciated, land	\$ 1,935,974	\$ -	\$ -	\$ 1,935,974
Capital assets being depreciated:				
Buildings	43,736,455	2,604,208	-	46,340,663
Other structures and improvements	3,264,809	-	-	3,264,809
Furniture and equipment	4,840,936	141,175	175,815	4,806,296
<b>Total capital assets being depreciated</b>	<b>51,842,200</b>	<b>2,745,383</b>	<b>175,815</b>	<b>54,411,768</b>
Less accumulated depreciation for:				
Buildings	19,001,164	1,620,106	-	20,621,270
Other structures and improvements	1,380,143	124,735	-	1,504,878
Furniture and equipment	3,039,764	305,327	175,815	3,169,276
<b>Total accumulated depreciation</b>	<b>23,421,071</b>	<b>2,050,168</b>	<b>175,815</b>	<b>25,295,424</b>
<b>Total capital assets being depreciated, net</b>	<b>28,421,129</b>	<b>695,215</b>	<b>-</b>	<b>29,116,344</b>
<b>Total capital assets, net</b>	<b>\$ 30,357,103</b>	<b>\$ 695,215</b>	<b>\$ -</b>	<b>\$ 31,052,318</b>

Gross furniture and equipment of \$217,134 are restricted for the Workforce Investment Act, Temporary Assistance for Needy Families, and other training programs.

Capital assets above include gross agency fund capital assets of \$82,426.

Scott Community College Urban Campus Foundation, a component unit of the District, has \$2,508,525 of improvements which are not being depreciated due to that entity reporting on a comprehensive basis of accounting other than generally accepted accounting principles. There were no additions or deletions for the year ended December 31, 2003.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

#### Note 4. Noncurrent Liabilities

A summary of changes in noncurrent liabilities for the year ended June 30, 2004 is as follows:

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	Amount Due Within One Year
Certificates payable	\$ 26,340,000	\$ 6,785,000	\$ 3,725,000	\$ 29,400,000	\$ 3,925,000
Capital loan notes	4,180,000	-	440,000	3,740,000	460,000
Note payable	212,500	-	25,000	187,500	25,000
Dormitory revenue bonds	1,975,000	-	30,000	1,945,000	35,000
Compensated absences	1,287,158	168,622	224,302	1,231,478	24,477
	<u>\$ 33,994,658</u>	<u>\$ 6,953,622</u>	<u>\$ 4,444,302</u>	<u>\$ 36,503,978</u>	<u>\$ 4,469,477</u>

In accordance with agreements dated between June 30, 1993 and June 30, 2004, the District issued certificates with a June 30, 2004 outstanding balance of \$29,400,000 and with interest rates ranging from 3.00% to 8.75% per annum. These certificates were issued to finance the development and training costs incurred relative to implementing the Iowa Industrial New Jobs Training Program (NJTP). NJTP's purpose is to provide tax-aided training for employees of industries which are new to or are expanding their operations within the State of Iowa. Interest on the certificates is payable semiannually, while the principal matures annually. The certificates are to be retired from the proceeds of withholding taxes remitted by the State of Iowa, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes collected.

The future debt service requirements on these certificates are as follows:

Year ending June 30:	Principal	Interest	Total
2005	\$ 3,925,000	\$ 1,639,392	\$ 5,564,392
2006	4,140,000	1,409,326	5,549,326
2007	4,130,000	1,169,778	5,299,778
2008	3,785,000	934,838	4,719,838
2009	3,085,000	704,485	3,789,485
2010-2014	10,335,000	1,356,600	11,691,600
	<u>\$ 29,400,000</u>	<u>\$ 7,214,419</u>	<u>\$ 36,614,419</u>

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 4. Noncurrent Liabilities (Continued)

Pursuant to a loan agreement entered into on May 15, 2000, the District issued capital loan notes with a June 30, 2004 balance of \$3,740,000. Rates range from 5.35% to 5.50%. Interest is accrued semiannually with principal and interest payments due annually in varying amounts through 2011. These notes were issued primarily to finance the purchase of grounds, construction of buildings, payment of debts contracted for the construction of buildings, purchase of buildings, equipment for buildings, and for the purpose of maintaining, remodeling, improving, and expanding the District.

The capital loan notes will be repaid from the future receipt of installments of the tax levy of 20 ¼ cents per thousand dollars of assessed value authorized by the voters of Eastern Iowa Community College at the election held September 14, 1999, pursuant to authority granted by Section 260C.22 of the Code of Iowa.

The note payable consists of a note due to Muscatine Community College Foundation which was entered into on November 10, 1999. As of June 30, 2004, the note has a balance of \$187,500. It is a noninterest bearing, unsecured note. Principal is due in full as of December 31, 2010.

Bond payable consists of dormitory revenue bonds, Series 2001 of \$1,945,000 as of June 30, 2004. Rates range from 5.00% to 5.85%. Interest is due semiannually and principal is due annually in varying amounts through 2022. The proceeds of the bond were used for the construction of college apartments. Revenues earned by the project will be pledged for repayment of the bond payable. The bond is collateralized by a mortgage on the dormitory property.

Future maturities and interest of the notes and bonds payable as of June 30, 2004 are as follows:

	Principal	Interest	Total
Year ending June 30:			
2005	\$ 520,000	\$ 309,900	\$ 829,900
2006	545,000	283,540	828,540
2007	575,000	255,860	830,860
2008	605,000	226,593	831,593
2009	645,000	195,738	840,738
2010-2014	1,692,500	546,139	2,238,639
2015-2019	705,000	299,516	1,004,516
2020-2022	585,000	70,199	655,199
	<u>\$ 5,872,500</u>	<u>\$ 2,187,485</u>	<u>\$ 8,059,985</u>

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### Note 5. Retirement System

Eastern Iowa Community College District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the District is required to contribute 5.75% of annual payroll. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2004, 2003, and 2002 were \$723,729, \$687,103, and \$710,021, respectively, equal to the required contributions for each year.

#### Note 6. Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF)

Eastern Iowa Community College District contributes to the TIAA-CREF retirement program which is a defined contribution plan. TIAA administers the retirement plan for the District. The defined contribution retirement plan provides individual annuities for each plan participant. As required by the Code of Iowa, all eligible District employees must participate in a retirement plan from the date they are employed. Contributions made by both employer and employee vest immediately. As specified by the contract with TIAA-CREF, and in accordance with the Code of Iowa, each employee is required to contribute 3.70% and the District is required to contribute 5.75%. The District and employees' required and actual contributions to TIAA-CREF for the year ended June 30, 2004 were \$376,283 and \$375,317, respectively.

#### Note 7. Operating Leases

The District has leased various facilities, land, and vehicles under operating leases. The leases expire on various dates through 2009 and require various minimum annual rentals. Some of the leases also require the payment of normal maintenance and insurance on the properties.

The following is a schedule, by year, of the future minimum rentals due under these operating leases:

Year ending June 30:

2005	\$	194,377
2006		104,925
2007		56,808
2008		8,065
2009		1,190
		<u>365,365</u>
	\$	<u>365,365</u>

Rental payments made during the year ended June 30, 2004 for all operating leases totaled approximately \$240,000.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### **Note 8. Risk Management Program**

The District is a member in the Insurance Management Program for Area Community Colleges (IMPACC) as allowed by Chapter 504A of the Code of Iowa. IMPACC (Program) is a risk-sharing pool whose members include Iowa Community Colleges. IMPACC was incorporated in May 1988 for the purpose of managing and funding insurance for its members and to provide general liabilities, automobile liability, automobile physical damage, public official bonds, property and inland marine, errors and omissions and School Board legal liability, workers' compensation and employers liability, crime insurance, fiduciary bonds, and boiler and machinery insurance coverage for its member colleges. There have been no reductions in insurance coverage from prior years.

The members' annual contributions are to fund current operations and provide capital. Annual operating contributions are those amounts necessary to fund IMPACC's general and administrative expenses, claims, claim expenses, and reinsurance expenses due and payable in the current year. The District's contributions to the risk-sharing pool are recognized as expenditures at the time of payment. The District's total contributions to IMPACC for the year ended June 30, 2004 were \$240,482.

The Program uses reinsurance to reduce its exposure to large losses. The Program has a self-insured retention of \$100,000 per property/liability, \$50,000 for error/omissions, and \$200,000 for workers' compensation. The policy limit per occurrence is \$900,000 for property/liability, \$950,000 for errors/omissions, and \$150,000 for workers' compensation. Excess insurance for workers' compensation is for statutory limits. Excess for all other lines is \$10,000,000 per occurrence. Property is insured with excess coverage over the self-insured retention of up to \$50,000,000 for boiler and machinery and up to \$101,000,000 for other property. Stop gap loss protection is provided above the member's loss fund.

In the event any claim or series of claims exceed the amount of aggregate excess insurance, then payment of such claims shall be the obligation of the respective individual member. The District does not report a liability for losses in excess of reinsurance unless it is deemed probable that such losses have occurred and the amount of such loss can be reasonably estimated. Accordingly, as of June 30, 2004, no liability has been recorded by the District. Settled claims have not exceeded the risk pool or reinsurance coverage in any of the past three fiscal years.

Members agree to continue membership for a period of not less than three full years. After such period, a member who has given sufficient notice, in compliance with the bylaws, may withdraw. Upon withdrawal, payments for all claims and claims expenses for the years of membership continue until all claims for those years are settled.

The District also carries commercial insurance purchased from other insurers for coverage associated with the Workforce Investment Act and for employee health claims. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### **Note 9. Contingency Liability, Early Retirement and Commitments**

Full-time staff, who are between the ages of 55 and 64 and who have at least 10 years of service with the District on or before July 1 of the year of their retirement, are eligible to receive early retirement remuneration. Early retirement is to begin at the end of the employee's contract. A staff member who accepts early retirement is to receive the cash benefits over a period of two years. In addition, the District will continue to contribute monthly amounts toward the employee's health insurance premiums. The District's expenses for the year ended June 30, 2004 were \$885,753.

As of June 30, 2004, the potential liability of the District, if all eligible employees accepted early retirement, is approximately \$3,302,000.

As of June 30, 2004, the District has construction commitments of approximately \$1,260,000.

#### **Note 10. New Jobs Training Programs**

The District administers the Iowa Industrial New Jobs Training Program (NJTP) in Area IX in accordance with Chapter 260E of the Code of Iowa. NJTP's purpose is to provide tax-aided training or retraining for employees of industries which are new to or are expanding their operations within the State of Iowa. Certificates are sold by the District to fund approved projects and are to be retired by proceeds from anticipated jobs credits from withholding taxes, incremental property taxes, budgeted reserves, and in the case of default, from standby property taxes. The District is currently administering 174 projects receiving project funding or in the repayment stage. In cases where projects exceed the budgeted amounts, the District intends to obtain additional withholding revenue from the companies.

The District also administers the Iowa Small Business New Jobs Training Program (SBNJTP) in Area IX in accordance with Chapter 260F of the Code of Iowa. SBNJTP's purpose is to provide tax-aided training or retraining for employees of small businesses which are new to or are expanding their operations within the State of Iowa. Approved small businesses receive loans from the Iowa Employment Training Fund, a state administered fund. The District is currently administering 55 projects receiving project funding or in the repayment stage.

#### **Note 11. Accounting Change**

For the year ended June 30, 2004, the District implemented Governmental Accounting Standards Board Statement No. 39, *Determining Whether Certain Organizations are Component Units*. This Statement amends Statement No. 14 to provide additional guidance to determine whether organizations for which the primary government is not financially accountable should be reported as a component unit based on the nature and significance of their relationship with the primary government. Implementation of this standard resulted in the inclusion of the Muscatine Community College Foundation, Scott Community College Foundation, Paul B. Sharar Foundation for Clinton Campus, and Scott Community College Urban Campus Foundation in the District's basic financial statements.

## Eastern Iowa Community College District

### Notes to Basic Financial Statements

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#### **Note 12. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued several Statements not yet implemented by the District. The Statements which might impact the District are as follows:

Statement No. 40, *Deposit and Investment Risk Disclosures*, issued March 2003, will be effective for the District beginning with its year ending June 30, 2005. This Statement establishes and modifies disclosure requirements related to investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. As an element of interest rate risk, this Statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. This Statement also establishes and modifies disclosure requirements for deposit risks.

Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, issued November 2003, will be effective for the District beginning with its year ending June 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, issued April 2004, will be effective for the District beginning with its year ending June 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supercedes existing guidance.

Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions*, issued June 2004, will be effective for the District beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and if applicable, required supplementary information in the financial reports.

The District's management has not yet determined the effect these Statements will have on the District's financial statements.

#### **Note 13. Discretely Presented Component Unit Note Receivable**

Muscatine Community College Foundation loaned Muscatine Community College \$250,000 during fiscal year ended June 30, 2000. The amount outstanding as of June 30, 2004 is \$187,500. The note is non-interest bearing and was loaned in support of the new childcare facility. The loan proceeds were to be consistent with Braunworth Fund stipulations. The loan is to be repaid within ten years based on a signed contract with Eastern Iowa Community College District. Under the terms of the agreement, utilization of the facility is restricted to class rooms and childcare for as long as there is a balance due.



Eastern Iowa Community College District

Required Supplementary Information  
 Budgetary Comparison Schedule of Expenditures  
 Year Ended June 30, 2004

Funds/Levy	Original Budget	Final Budget	Actual	Variance Between Actual and Final Budget
Unrestricted	\$ 36,564,530	\$ 36,564,530	\$ 30,622,709	\$ 5,941,821
Restricted	\$ 13,354,444	\$ 13,354,444	\$ 8,112,562	\$ 5,241,882
Unemployment	42,398	42,398	5,694	36,704
Insurance	307,735	307,735	258,056	49,679
Early retirement	74,766	74,766	885,753	(810,987)
Equipment replacement	1,687,858	1,687,858	1,002,911	684,947
Standby	35,410	35,410	35,665	(255)
<b>Total restricted</b>	<b>\$ 15,502,611</b>	<b>\$ 15,502,611</b>	<b>\$ 10,300,641</b>	<b>\$ 5,201,970</b>
Plant	\$ 4,963,492	\$ 4,963,492	\$ 3,835,449	\$ 1,128,043

See Note to Required Supplementary Information.

## **Eastern Iowa Community College District**

### **Note to Required Supplementary Information Budgetary Reporting Year Ended June 30, 2004**

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The Board of Directors annually prepares a budget designating the proposed expenditures for operation of the District on a basis consistent with accounting principles generally accepted in the United States of America. Following required public notice and hearing, and in accordance with Chapter 260C of the Code of Iowa, the Board of Directors certifies the approved budget to the appropriate county auditors and then submits the budget to the State Board of Education for approval. The budget may be amended during the year utilizing similar statutory prescribed procedures. Formal and legal budgetary control is based on total operating expenditures.

Budgets are not required to be adopted for the Auxiliary Enterprises subgroup, Workforce Investment Act accounts, Temporary Assistance for Needy Families, Iowa Code 260F Jobs Training, scholarships and grants account, Loan Funds, and Agency Funds.

# Eastern Iowa Community College District

## Balance Sheet

June 30, 2004

		Current Funds	
		Unrestricted	Restricted
<b>Assets</b>			
Cash and cash equivalents	\$	10,472,908	\$ 6,393,675
Investments		-	18,246,046
Receivables:			
Property taxes		1,838,534	1,672,772
Due from other governments		902,992	979,244
Other, net of allowance for uncollectible accounts of \$52,731		583,726	735,814
Due from other funds		-	-
Inventories		626,659	-
Due from Iowa New Jobs Training Program		-	10,934,937
Capital assets:			
Land		-	-
Buildings		-	-
Other structures and improvements		-	-
Furniture and equipment		-	-
Accumulated depreciation		-	-
<b>Total assets</b>	<b>\$</b>	<b>14,424,819</b>	<b>\$ 38,962,488</b>
<b>Liabilities and Fund Balances</b>			
Liabilities:			
Accounts payable	\$	667,760	\$ 2,736,450
Salaries and benefits payable		2,101,237	1,257,319
Accrued interest payable		25,825	134,710
Due to other funds		400,637	-
Deferred revenue		2,024,171	1,952,042
Compensated absences		1,010,988	220,490
Assets held in custody for others		-	-
Certificates payable		-	29,400,000
Notes and bonds payable		-	-
<b>Total liabilities</b>		<b>6,230,618</b>	<b>35,701,011</b>
Fund Balances:			
Invested in capital assets, net of related debt		-	-
Restricted for:			
Education and support		-	2,857,009
Property tax cash reserve		-	404,468
Unrestricted		8,194,201	-
<b>Total fund balances</b>		<b>8,194,201</b>	<b>3,261,477</b>
<b>Total liabilities and fund balances</b>	<b>\$</b>	<b>14,424,819</b>	<b>\$ 38,962,488</b>

See Note to Supplementary Information.

Loan Funds	Plant Funds	Agency Funds	Adjustments	Total
\$ 35,341	\$ 7,746,667	\$ -	\$ -	\$ 24,648,591
-	-	-	-	18,246,046
-	1,838,533	-	-	5,349,839
-	-	449,026	-	2,331,262
100	58,754	84,780	-	1,463,174
-	400,637	-	(400,637)	-
-	-	-	-	626,659
-	-	-	-	10,934,937
-	1,935,974	-	-	1,935,974
-	46,277,438	63,225	-	46,340,663
-	3,255,603	9,206	-	3,264,809
-	4,796,301	9,995	-	4,806,296
-	-	-	(25,295,424)	(25,295,424)
\$ 35,441	\$ 66,309,907	\$ 616,232	\$ (25,696,061)	\$ 94,652,826
\$ -	\$ 393,930	\$ -	\$ -	\$ 3,798,140
-	-	-	-	3,358,556
-	-	-	-	160,535
-	-	-	(400,637)	-
-	2,343,534	-	-	6,319,747
-	-	-	-	1,231,478
-	-	616,232	-	616,232
-	-	-	-	29,400,000
-	5,872,500	-	-	5,872,500
-	8,609,964	616,232	(400,637)	50,757,188
-	50,392,815	-	(25,295,424)	25,097,391
-	-	-	-	2,857,009
-	-	-	-	404,468
35,441	7,307,128	-	-	15,536,770
35,441	57,699,943	-	(25,295,424)	43,895,638
\$ 35,441	\$ 66,309,907	\$ 616,232	\$ (25,696,061)	\$ 94,652,826

# Eastern Iowa Community College District

## Schedule of Revenues, Expenditures, and Changes in Fund Balances Year Ended June 30, 2004

	Current Funds	
	Unrestricted	Restricted
Revenues:		
General:		
Tuition and fees	\$ 13,791,467	\$ 114,196
Property taxes	1,871,104	1,963,460
State appropriations	12,727,176	375,060
Federal appropriations	1,745,356	10,984,401
Gifts and grants	124,617	8,500
Sales and services	459,536	1,258,453
Interest	597,726	145,242
Iowa Industrial New Jobs Training Program	-	5,715,000
Miscellaneous	48,290	358,082
	<u>31,365,272</u>	<u>20,922,394</u>
Auxiliary enterprises:		
Sales and services	4,344,754	-
Miscellaneous	1,244,399	-
	<u>5,589,153</u>	<u>-</u>
<b>Total revenues</b>	<u>36,954,425</u>	<u>20,922,394</u>
Expenditures:		
Education and support:		
Liberal arts and sciences	7,507,469	-
Vocational technical	6,858,570	1,726,050
Adult education	3,707,733	231,703
Cooperative services	730,651	6,471,453
General administration	1,240,214	885,753
Student services	2,989,252	-
Learning resources	1,093,924	-
Physical plant	2,724,848	258,056
General institution	3,437,195	872,868
Workforce Investment Act	-	1,957,477
Temporary Assistance for Needy Families	-	1,021,825
Iowa Code 260F Jobs Training	-	485,298
Depreciation expense	-	-
	<u>30,289,856</u>	<u>13,910,483</u>
Auxiliary enterprises	4,244,789	-
Scholarships and grants	-	7,083,968
Plant asset acquisitions	-	-
Interest on indebtedness	332,853	-
	<u>4,577,642</u>	<u>7,083,968</u>
<b>Total expenditures</b>	<u>\$ 34,867,498</u>	<u>\$ 20,994,451</u>

Loan Funds	Plant Funds		Adjustments	Total
	Unexpended	Retirement of Indebtedness		
\$ 2,878	\$ -	\$ -	\$ (3,919,694)	\$ 9,988,847
-	1,871,154	-	-	5,705,718
-	-	-	(19,371)	13,082,865
-	-	-	(102,670)	12,627,087
-	63,262	-	(69,337)	127,042
-	-	-	(596,582)	1,121,407
-	92,540	-	-	835,508
-	-	-	-	5,715,000
-	638,648	-	(200)	1,044,820
2,878	2,665,604	-	(4,707,854)	50,248,294
-	-	-	(1,317,675)	3,027,079
-	-	-	-	1,244,399
-	-	-	(1,317,675)	4,271,478
2,878	2,665,604	-	(6,025,529)	54,519,772
-	-	-	(60,336)	7,447,133
-	-	-	(258,878)	8,325,742
-	-	-	(83,928)	3,855,508
-	-	-	(5,590,583)	1,611,521
-	-	-	(1,870)	2,124,097
-	-	-	(105,588)	2,883,664
-	-	-	(18,833)	1,075,091
-	2,302,023	-	(910,847)	4,374,080
-	-	-	(206,623)	4,103,440
-	-	-	-	1,957,477
-	-	-	-	1,021,825
-	-	-	-	485,298
-	-	-	2,050,168	2,050,168
-	2,302,023	-	(5,187,318)	41,315,044
-	-	-	-	4,244,789
-	-	-	-	7,083,968
-	1,533,426	-	(1,533,426)	-
-	-	-	-	332,853
-	1,533,426	-	(1,533,426)	11,661,610
\$ -	\$ 3,835,449	\$ -	\$ (6,720,744)	\$ 52,976,654

(Continued)

Eastern Iowa Community College District

Schedule of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
Year Ended June 30, 2004

	Current Funds	
	Unrestricted	Restricted
<b>Excess of revenues over (under) expenditures</b>	<b>\$ 2,086,927</b>	<b>\$ (72,057)</b>
Other additions (deductions):		
Expended for plant assets	-	-
Retirement of indebtedness	(495,000)	-
Disposal of plant assets	-	-
<b>Total other additions (deductions)</b>	<b>(495,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,591,927</b>	<b>(72,057)</b>
Fund balances:		
Beginning	6,602,274	3,333,534
Ending	<b>\$ 8,194,201</b>	<b>\$ 3,261,477</b>

See Note to Supplementary Information.

Loan Funds	Plant Funds		Retirement of Indebtedness	Investment In Plant	Adjustments	Total
	Unexpended					
\$ 2,878	\$ (1,169,845)	\$ -	\$ -	\$ 695,215	\$ 1,543,118	
-	-	-	2,745,383	(2,745,383)	-	
-	-	-	495,000	-	-	
-	-	-	(175,815)	175,815	-	
-	-	-	3,064,568	(2,569,568)	-	
2,878	(1,169,845)	-	3,064,568	(1,874,353)	1,543,118	
32,563	8,476,973	-	47,328,247	(23,421,071)	42,352,520	
\$ 35,441	\$ 7,307,128	\$ -	\$ 50,392,815	\$ (25,295,424)	\$ 43,895,638	



Eastern Iowa Community College District

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Unrestricted Current Funds  
Education and Support  
Year Ended June 30, 2004

	Education			
	Liberal Arts and Sciences	Vocational Technical	Adult Education	Cooperative Services
Revenues:				
Tuition:				
Resident	\$ 5,899,791	\$ 4,431,879	\$ 1,032,793	\$ 310,046
Non-resident	516,076	747,037	-	-
Refunds	(109,891)	(45,982)	(51,628)	-
Fees	195,680	174,986	690,135	-
Property taxes	-	-	-	-
State appropriations	4,795,555	5,138,660	2,563,247	-
Federal appropriations	-	-	615,492	411,161
Gifts and grants	45,032	48,546	113	350
Sales and services	32,085	302,964	68,319	-
Interest	-	-	-	-
Miscellaneous	500	14,831	9,390	-
	11,374,828	10,812,921	4,927,861	721,557
Allocation of support services revenues	1,400,604	1,490,905	636,596	-
<b>Total revenues</b>	<b>12,775,432</b>	<b>12,303,826</b>	<b>5,564,457</b>	<b>721,557</b>
Expenditures:				
Salaries and benefits	6,911,486	6,135,280	2,529,190	618,483
Services	451,742	390,242	888,527	71,689
Materials and supplies	115,180	259,082	199,465	34,107
Travel	29,061	51,507	90,551	6,372
Expended for plant assets	-	22,459	-	-
Retirement of indebtedness	-	-	-	-
Interest on indebtedness	-	-	-	-
Miscellaneous	-	-	-	-
	7,507,469	6,858,570	3,707,733	730,651
Allocation of support services expenditures	4,878,265	5,192,777	2,217,244	-
<b>Total expenditures</b>	<b>12,385,734</b>	<b>12,051,347</b>	<b>5,924,977</b>	<b>730,651</b>
<b>Net change in fund         balances</b>	<b>\$ 389,698</b>	<b>\$ 252,479</b>	<b>\$ (360,520)</b>	<b>\$ (9,094)</b>
Fund balances:				
Beginning				
Ending				

See Note to Supplementary Information.

Support					
General Admini- stration	Student Services	Learning Resources	Physical Plant	General Institution	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,674,509
-	-	-	-	-	1,263,113
-	-	-	-	-	(207,501)
-	545	-	-	-	1,061,346
1,871,104	-	-	-	-	1,871,104
21,350	16,057	-	192,307	-	12,727,176
241,252	212,838	264,613	-	-	1,745,356
-	317	29,302	757	200	124,617
33,141	-	3,635	19,392	-	459,536
597,726	-	-	-	-	597,726
2,265	7,923	1,527	9,780	2,074	48,290
2,766,838	237,680	299,077	222,236	2,274	31,365,272
(2,766,838)	(237,680)	(299,077)	(222,236)	(2,274)	-
-	-	-	-	-	31,365,272
918,125	2,866,757	760,078	874,342	1,824,450	23,438,191
216,274	82,625	207,014	782,801	1,491,892	4,582,806
25,680	27,520	114,061	148,573	87,064	1,010,732
66,892	12,350	12,771	7,304	33,789	310,597
-	-	-	878,960	-	901,419
-	-	-	470,000	-	470,000
-	-	-	332,853	-	332,853
13,243	-	-	32,868	-	46,111
1,240,214	2,989,252	1,093,924	3,527,701	3,437,195	31,092,709
(1,240,214)	(2,989,252)	(1,093,924)	(3,527,701)	(3,437,195)	-
-	-	-	-	-	31,092,709
\$ -	\$ -	\$ -	\$ -	\$ -	272,563
					3,216,401
					<u>\$ 3,488,964</u>

Eastern Iowa Community College District

Schedule of Revenues, Expenditures and Changes in Fund Balances -  
Unrestricted Current Funds  
Auxiliary Enterprises  
Year Ended June 30, 2004

	Cafeteria	Bookstore	Daycare	Parts	Printing
Revenues:					
Fees	\$ -	\$ -	\$ -	\$ -	\$ -
Federal appropriation	-	-	11,468	-	-
Sales and services	27,376	3,341,536	203,902	103,765	138,592
Miscellaneous, primarily gifts	727	-	-	-	-
<b>Total revenues</b>	<b>28,103</b>	<b>3,341,536</b>	<b>215,370</b>	<b>103,765</b>	<b>138,592</b>
Expenditures:					
Salaries and benefits	-	262,865	184,378	12,194	13,421
Services	9,662	560,718	2,466	-	105,324
Materials and supplies	7,538	14,039	10,511	386	23,296
Merchandise purchased for sale	2,995	2,530,163	1,600	84,867	-
Travel	-	102	-	-	-
Retirement of indebtedness	-	-	25,000	-	-
Miscellaneous	-	81,412	-	-	-
<b>Total expenditures</b>	<b>20,195</b>	<b>3,449,299</b>	<b>223,955</b>	<b>97,447</b>	<b>142,041</b>
<b>Net change in fund balances</b>	<b>7,908</b>	<b>(107,763)</b>	<b>(8,585)</b>	<b>6,318</b>	<b>(3,449)</b>
Fund balances:					
Beginning	114,625	1,654,544	22,312	13,556	440,987
Ending	<u>\$ 122,533</u>	<u>\$ 1,546,781</u>	<u>\$ 13,727</u>	<u>\$ 19,874</u>	<u>\$ 437,538</u>

See Note to Supplementary Information.

Student Housing	Video Consortium	Kahl Auxiliary	Other	Total
\$ -	\$ -	\$ -	\$ 2,180	\$ 2,180
-	-	-	-	11,468
181,657	51,491	240,385	56,050	4,344,754
1,221,375	1,476	4,957	2,216	1,230,751
1,403,032	52,967	245,342	60,446	5,589,153
28,480	44,387	-	-	545,725
168,699	5,206	-	36,456	888,531
23,604	3,374	-	11,620	94,368
-	-	-	-	2,619,625
-	-	-	15,026	15,128
-	-	-	-	25,000
-	-	-	-	81,412
220,783	52,967	-	63,102	4,269,789
1,182,249	-	245,342	(2,656)	1,319,364
194,229	-	629,637	315,983	3,385,873
\$ 1,376,478	\$ -	\$ 874,979	\$ 313,327	\$ 4,705,237

Eastern Iowa Community College District

**Schedule of Revenues, Expenditures and Changes in Fund Balances (Deficits) -  
Restricted Current Funds  
Year Ended June 30, 2004**

	Scholarships and Grants	Equipment Replacement	Insurance	Unemployment Compensation	Workforce Investment Act
Revenues:					
Tuition, resident	\$ -	\$ -	\$ -	\$ -	\$ -
Fees	-	-	-	-	-
Property taxes	-	831,598	137,408	12,134	-
State appropriations	152,690	-	-	-	-
Federal appropriations	6,627,393	-	-	-	1,902,929
Gifts and grants	-	-	-	-	-
Sales and services	299,746	-	-	-	-
Interest	-	-	-	-	-
Iowa Industrial New Jobs Training Program	-	-	-	-	-
Miscellaneous	-	-	-	-	54,548
<b>Total revenues</b>	<b>7,079,829</b>	<b>831,598</b>	<b>137,408</b>	<b>12,134</b>	<b>1,957,477</b>
Expenditures:					
Salaries and benefits	-	-	-	5,694	924,554
Services	-	-	258,056	-	499,066
Materials and supplies	2,550	891,439	-	-	156,479
Travel	-	-	-	-	28,970
Expended for plant assets	-	111,472	-	-	-
Interest on indebtedness	-	-	-	-	-
Employer reimbursements	-	-	-	-	-
Federal Pell Grant Program	6,429,551	-	-	-	-
Federal Supplemental Educational Opportunity Grant (SEOG)	207,081	-	-	-	-
Other miscellaneous scholarships	444,786	-	-	-	-
Miscellaneous	-	-	-	-	348,408
<b>Total expenditures</b>	<b>7,083,968</b>	<b>1,002,911</b>	<b>258,056</b>	<b>5,694</b>	<b>1,957,477</b>
<b>Net change in fund balances</b>	<b>(4,139)</b>	<b>(171,313)</b>	<b>(120,648)</b>	<b>6,440</b>	<b>-</b>
Fund balances (deficits):					
Beginning	47,768	973,647	158,377	52,542	-
Ending	<u>\$ 43,629</u>	<u>\$ 802,334</u>	<u>\$ 37,729</u>	<u>\$ 58,982</u>	<u>\$ -</u>

See Note to Supplementary Information.

Temporary Assistance for Needy Families	Iowa Industrial New Jobs Training Program	Economic Development	Other Federal Programs	Other Training	Other	Cash Reserve	Total
\$ -	\$ -	\$ 99,190	\$ 615	\$ 5,165	\$ -	\$ -	\$ 104,970
-	-	2,171	-	7,055	-	-	9,226
-	35,666	-	-	-	946,654	-	1,963,460
-	-	55,874	89,035	-	77,461	-	375,060
1,021,825	-	-	1,422,460	9,794	-	-	10,984,401
-	-	-	-	450	8,050	-	8,500
-	-	782,655	10,425	156,110	9,517	-	1,258,453
-	145,242	-	-	-	-	-	145,242
-	5,715,000	-	-	-	-	-	5,715,000
-	302,039	375	-	1,120	-	-	358,082
1,021,825	6,197,947	940,265	1,522,535	179,694	1,041,682	-	20,922,394
589,182	-	725,227	888,532	8,850	924,516	-	4,066,555
247,050	2,673,858	131,173	246,508	34,672	47,583	-	4,137,966
46,858	-	26,482	38,607	3,911	13,073	-	1,179,399
11,066	-	21,998	150,006	4,810	-	-	216,850
-	-	-	-	-	-	-	111,472
-	1,861,088	-	-	-	-	-	1,861,088
-	1,663,001	-	-	-	-	-	1,663,001
-	-	-	-	-	-	-	6,429,551
-	-	-	-	-	-	-	207,081
-	-	-	35,245	-	-	-	480,031
127,669	-	-	156,991	8,389	-	-	641,457
1,021,825	6,197,947	904,880	1,515,889	60,632	985,172	-	20,994,451
-	-	35,385	6,646	119,062	56,510	-	(72,057)
-	-	1,776,392	6,529	161,078	(247,267)	404,468	3,333,534
\$ -	\$ -	\$ 1,811,777	\$ 13,175	\$ 280,140	\$ (190,757)	\$ 404,468	\$ 3,261,477

Eastern Iowa Community College District

Schedule of Changes in Assets Held in Custody for Others -  
Agency Funds  
Year Ended June 30, 2004

	Athletics	Clubs, Organizations, and Activities
Balance, beginning	\$ 13,340	\$ 269,580
Additions:		
Fees	897	454,510
State appropriations	-	-
Gifts and grants	1,500	4,595
Sales and services	22,714	38,719
Other	172,287	172,302
<b>Total additions</b>	<b>197,398</b>	<b>670,126</b>
Deductions:		
Salaries and benefits	12,233	51,096
Services	110,003	234,533
Materials and supplies	40,248	54,872
Merchandise purchased for sale	-	2,279
Travel	39,686	56,351
Expended for plant assets	1,407	-
Scholarships	-	5,345
Other	500	229,751
<b>Total deductions</b>	<b>204,077</b>	<b>634,227</b>
Balance, ending	\$ 6,661	\$ 305,479

See Note to Supplementary Information.

Iowa Industrial New Jobs Training Program		Other	Total
\$	334,632	\$ 10,573	\$ 628,125
-	-	-	455,407
217,164	-	-	217,164
-	11,550	-	17,645
-	-	-	61,433
-	301,785	-	646,374
217,164	313,335	-	1,398,023
-	16,057	-	79,386
217,164	281,673	-	843,373
-	1,846	-	96,966
-	-	-	2,279
-	232	-	96,269
-	-	-	1,407
-	-	-	5,345
41,240	13,400	-	284,891
258,404	313,208	-	1,409,916
\$ 293,392	\$ 10,700	\$	\$ 616,232



## Eastern Iowa Community College District

### Note to Supplementary Information Year Ended June 30, 2004

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Statements presented in the supplementary information are reported using the current financial resources measurement focus and the accrual basis of accounting, except for depreciation. The schedule of revenues, expenditures, and changes in fund balance is the statement of financial activities related to the current reporting period. It does not purport to present the results of operations or net income or loss for the period as would a statement of income or a statement of revenues and expenses. In order to ensure observance of limitations and restrictions placed on the use of the resources available to the District, the accounts of the District are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions are accounted for and reported by fund group. Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sale, collection, or other disposition of investments and other noncash assets are accounted for in the fund which owned such assets. Ordinary revenue derived from investments, receivables, and the like, is accounted for in the fund owning such assets.

The District utilizes the following fund groups:

#### **Current funds:**

These funds are utilized to account for those economic resources that are expendable for the purpose of performing the primary and supporting missions of the District. These include the following unrestricted and restricted subfunds:

Unrestricted: The Education and Support subgroup of the Unrestricted Current Funds accounts for the general operations of the District. All property taxes and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this subgroup. From this subgroup are paid the general operating costs, the fixed charges, and the acquisition of plant assets that are not paid from other funds.

The Auxiliary Enterprises subgroup accounts for activities which are intended to provide non-instructional services for sales to students, staff, and/or institutional departments, and which are supplemental to the educational and general objectives of the District. In addition, they account for activities which provide instructional and laboratory experiences for students and which incidentally create goods and services that may be sold to students, faculty, staff, and the general public.

Restricted: The Restricted Current Funds are used to account for resources that are available for the operation and support of the educational program but which are restricted as to their use by donors or outside agencies.

The scholarships and grants subgroup accounts for resources available for awards to students which are not in payment of services rendered to the District and which will not require repayment to the District.

The District has agreements with various businesses under the Iowa Industrial New Jobs Training Program (NJTP). The District administers the program, with the revenues and expenditures being restricted by the State for use in this program. The District is accounting for the activity of the NJTP in the Restricted Current Funds.

**Eastern Iowa Community College District**

**Note to Supplementary Information  
Year Ended June 30, 2004**

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**Loan Funds:**

These funds are used to account for student loan transactions.

**Plant Funds:**

The Plant Funds are used to account for transactions relating to investment in District properties, and consist of the following self-balancing subfunds:

Unexpended - This subfund is used to account for the unexpended resources derived from various sources for the acquisition or construction of plant assets.

Retirement of indebtedness - This subfund is used to account for the accumulation of resources for principal and interest payments on plant indebtedness.

Investment in plant - This subfund is used to account for the excess of the carrying value of plant assets over the related liabilities.

**Agency Funds:**

The Agency Funds are used to account for assets held by the District in a custodial capacity or as an agent for others. Transactions of Agency Funds do not affect the schedule of revenues, expenditures, and changes in fund balances.

Eastern Iowa Community College District

Schedule of Credit and Contact Hour Enrollment

Year Ended June 30, 2004

Category	Credit Hours			Contact Hours		
	Eligible for Aid	Not Eligible for Aid	Total	Eligible for Aid	Not Eligible for Aid	Total
Arts and sciences	85,828	-	85,828	1,835,148	-	1,835,148
Vocational preparatory	67,242	-	67,242	1,953,464	-	1,953,464
Adult/continuing education	-	-	-	755,190	78,912 *	834,102
Cooperative programs/services	-	-	-	-	7,956	7,956
Related services and activities	-	-	-	-	213,600	213,600
	<u>153,070</u>	<u>-</u>	<u>153,070</u>	<u>4,543,802</u>	<u>300,468</u>	<u>4,844,270</u>

\* Includes 240 hour adjustment of 420 hours.

Eastern Iowa Community College District

Comparison of Taxes and Intergovernmental Revenues

	Year Ended June 30,			
	2004	2003	2002	2001
Local (property tax)	\$ 5,705,718	\$ 5,777,008	\$ 5,431,247	\$ 5,301,706
State	13,082,865	13,049,738	13,900,765	16,266,585
Federal	12,627,087	12,042,761	11,984,720	10,153,576
<b>Total</b>	<b>\$ 31,415,670</b>	<b>\$ 30,869,507</b>	<b>\$ 31,316,732</b>	<b>\$ 31,721,867</b>

Eastern Iowa Community College District

Iowa Industrial New Jobs Training Program

Schedule of Expenditures Compared to Budget

Year Ended June 30, 2004

	Training and Wages	Administration	Legal and Issue Costs	Subtotal
260E/HF623 (New Jobs Training Program):				
Acutus Gladwyn	\$ -	\$ 4,834	\$ -	\$ 4,834
Air Control, Inc.	-	8	45	53
American Finishing Resources	-	5	27	32
Apac Telemarketing Corp. II	-	56	313	369
Apac Telemarketing Corp. III	-	11	56	67
Arch Aluminum & Glass	-	-	-	-
Barwood Manufacturing	-	-	-	-
Bawden Printing, Inc. IV	11,526	2,091	234	13,851
Bemis Clysar, Inc.	-	429	2,890	3,319
Blackhawk Foundry & Machines	-	-	-	-
Blue Ridge Paper Products	-	329	2,216	2,545
Blue Wave Ultrasonics	9,280	1,656	30	10,966
Brazeway, Inc.	790	187	173	1,150
Car Freshner Corp. II	-	5	26	31
Car Freshner Corp. III	-	6	30	36
Carleton Life Support #1 (f/n/a Litton)	-	44	233	277
Carleton Life Support #2 (f/n/a Litton)	-	59	310	369
Carleton Life Support #3 (f/n/a Litton)	173,000	36,719	2,966	212,685
Carleton Life Support #4	52,458	529	14,630	67,617
Case Corporation	-	289	1,460	1,749
CML USA	21,435	5,291	307	27,033
Collis, Inc.	12,782	2,441	150	15,373
Collis, Inc. II	9,742	2,041	158	11,941
Communications Data Services, Inc. III	-	48	243	291
Compliment, Inc.	-	-	-	-
Construction Fasteners	-	102	516	618
Data Dimensions Corp. II	-	13	69	82
Dynagear Oil Pumps	660	271	1,393	2,324
Eagle Engineering, Inc.	-	33	173	206
Egging Co.	-	64	339	403
Electro-Hydraulic Automation	-	9	45	54
Engineered Rubber Products, Inc.	658	145	125	928
Escalator Handrail USA II	500	95	32	627
Fabricators Plus	-	500	3,372	3,872
Family Dollar	363,407	97,414	1,622	462,443
Genesis Systems Group, Ltd. III	-	-	-	-
Genesis Systems Group, Ltd. IV	-	85	478	563
Genesis Systems Group, Ltd. V	-	79	418	497
Genesis Systems Group, Ltd. VI	-	600	4,046	4,646
<b>Subtotal forward</b>	<b>\$ 656,238</b>	<b>\$ 156,488</b>	<b>\$ 39,125</b>	<b>\$ 851,851</b>

Retirement Costs			Current	Less	Prior Period	Total							
Debt	Interest		Year	Retirement	Budgeted	Budgeted							
			Costs	Costs	Costs	Cost	Budget						
\$	15,000	\$	3,974	\$	23,808	\$	18,974	\$	65,751	\$	70,585	\$	145,000
	20,000		1,244		21,297		21,244		45,706		45,759		60,000
	5,000		2,690		7,722		7,690		38,989		39,021		45,000
	-		27,795		28,164		27,795		341,275		341,644		415,000
	-		-		67		-		33,726		33,793		75,000
	5,000		35,620		40,620		40,620		111,096		111,096		135,000
	5,000		812		5,812		5,812		38,454		38,454		50,000
	75,000		5,919		94,770		80,919		254,679		268,530		110,000
	-		(5)		3,314		(5)		-		3,319		150,000
	40,000		27,407		67,407		67,407		261,052		261,052		300,000
	-		(1)		2,544		(1)		-		2,545		115,000
	5,000		778		16,744		5,778		20,636		31,602		40,000
	35,000		17,626		53,776		52,626		247,235		248,385		290,000
	10,000		1,428		11,459		11,428		30,895		30,926		35,000
	5,000		2,690		7,726		7,690		42,879		42,915		50,000
	30,000		8,735		39,012		38,735		200,042		200,319		310,000
	35,000		10,213		45,582		45,213		284,762		285,131		330,000
	10,000		13,130		235,815		23,130		8,397		221,082		255,000
	-		5		67,622		5		-		67,617		185,000
	65,000		26,746		93,495		91,746		555,576		557,325		750,000
	-		3,910		30,943		3,910		48,906		75,939		110,000
	15,000		4,804		35,177		19,804		122,601		137,974		160,000
	20,000		9,541		41,482		29,541		91,247		103,188		200,000
	15,000		4,824		20,115		19,824		107,556		107,847		125,000
	15,000		935		15,935		15,935		56,117		56,117		90,000
	30,000		10,125		40,743		40,125		148,464		149,082		265,000
	10,000		7,410		17,492		17,410		86,085		86,167		115,000
	10,000		5,899		18,223		15,899		78,698		81,022		105,000
	25,000		7,043		32,249		32,043		197,827		198,033		230,000
	45,000		12,138		57,541		57,138		310,784		311,187		360,000
	5,000		1,844		6,898		6,844		51,607		51,661		60,000
	15,000		10,312		26,240		25,312		96,959		97,887		180,000
	10,000		893		11,520		10,893		16,639		17,266		20,000
	-		5		3,877		5		-		3,872		175,000
	135,000		143,575		741,018		278,575		2,002,480		2,464,923		2,800,000
	15,000		11,267		26,267		26,267		86,798		86,798		105,000
	40,000		7,267		47,830		47,267		254,662		255,225		295,000
	45,000		14,120		59,617		59,120		383,699		384,196		445,000
	-		-		4,646		-		-		4,646		210,000
\$	810,000	\$	442,718	\$	2,104,569	\$	1,252,718	\$	6,722,279	\$	7,574,130	\$	9,895,000

(Continued)

**Eastern Iowa Community College District**

**Iowa Industrial New Jobs Training Program**

**Schedule of Expenditures Compared to Budget (Continued)**

**Year Ended June 30, 2004**

	Training and Wages	Administration	Legal and Issue Costs	Subtotal
260E/HF623 (New Jobs Training Program):				
<b>Subtotal forwarded</b>	\$ 656,238	\$ 156,488	\$ 39,125	\$ 851,851
G.I. Plastek	240	1,708	87	2,035
Gless Bros.	-	19	105	124
Grafco Ind.	-	42	221	263
Greystone Manufacturing	-	686	4,624	5,310
Guardian Industries Corp.	-	-	-	-
Guardian Industries Corp. II	-	49	216	265
Guardian Industries Corp. III	-	529	3,565	4,094
Hardi, Inc.	761	1,172	287	2,220
Hawkeye Iron L.L.C.	-	-	-	-
Healthy Exchanges	-	1	8	9
H.J. Heinz	-	102	542	644
Heinz USA #2	-	16	80	96
Hoffmann, Inc.	-	-	-	-
The Hon Company (Geneva Plant)	-	-	-	-
The Hon Company (Systems) II	-	105	588	693
The Hon Company (Systems) III	-	53	300	353
The Hon Company, Steel Plant (Oak Steel)	-	-	-	-
The Hon Company (Systems) IV	-	1,437	7,110	8,547
The Hon Company V	-	266	1,368	1,634
The Hon Company VI	65,289	14,891	715	80,895
The Hon Company VII	271,750	67,796	464	340,010
Hon Industries VIII	877,750	7,317	234,475	1,119,542
Hormel Foods Corp.	-	-	-	-
Hornbuckle Heating and Air Conditioning	290	76	139	505
Howard Steel Company	-	-	9	9
HWH Corporation & CCO, Inc.	4,800	1,370	2,408	8,578
Illinois Range	Company Bankrupt	-	-	-
Industrial Packaging Corp	9,545	3,388	159	13,092
IPSCO Steel, Inc. (Muscatine)	-	262	2,205	2,467
IPSCO Steel, Inc. II	-	42	222	264
Jewell Tool	-	10	57	67
Deere and Company - Davenport	30,481	5,889	715	37,085
Deere and Company II - Davenport	255,522	52,628	16,762	324,912
JRB Company, Inc. II	-	-	-	-
JRB Company, Inc. III	-	12	65	77
JRB Company, Inc. IV	950	296	343	1,589
Kalot Industries, Inc.	-	19	105	124
Kalot Industries, Inc. #2	-	5	27	32
<b>Subtotal forward</b>	\$ 2,173,616	\$ 316,674	\$ 317,096	\$ 2,807,386

Retirement Costs			Current	Less	Prior Period	Total							
Debt	Interest		Year	Retirement	Budgeted	Budgeted							
			Costs	Costs	Costs	Cost	Budget						
\$	810,000	\$	442,718	\$	2,104,569	\$	1,252,718	\$	6,722,279	\$	7,574,130	\$	9,895,000
	10,000		7,655		19,690		17,655		127,717		129,752		150,000
	35,000		2,704		37,828		37,704		81,225		81,349		140,000
	35,000		8,595		43,858		43,595		202,853		203,116		235,000
	-		(4)		5,306		(4)		-		5,310		240,000
	180,000		36,090		216,090		216,090		1,411,698		1,411,698		1,585,000
	30,000		7,393		37,658		37,393		199,399		199,664		230,000
	-		(13)		4,081		(13)		-		4,094		185,000
	-		4,733		6,953		4,733		281,470		283,690		135,000
	30,000		8,026		38,026		38,026		186,790		186,790		265,000
	5,000		613		5,622		5,613		4,531		4,540		10,000
	85,000		20,137		105,781		105,137		610,224		610,868		720,000
	15,000		7,541		22,637		22,541		116,969		117,065		135,000
	5,000		14,082		19,082		19,082		28,298		28,298		30,000
	-		1		1		1		265,412		265,412		305,000
	85,000		14,684		100,377		99,684		676,563		677,256		780,000
	20,000		4,971		25,324		24,971		158,713		159,066		185,000
	55,000		24,968		79,968		79,968		339,662		339,662		390,000
	385,000		96,130		489,677		481,130		2,744,655		2,753,202		3,175,000
	185,000		144,234		330,868		329,234		1,995,992		1,997,626		2,295,000
	45,000		48,020		173,915		93,020		707,259		788,154		905,000
	30,000		41,121		411,131		71,121		355,919		695,929		800,000
	-		(56)		1,119,486		(56)		-		1,119,542		2,560,000
	10,000		10,834		20,834		20,834		78,431		78,431		85,000
	45,000		3,459		48,964		48,459		94,153		94,658		185,000
	-		438		447		438		17,470		17,479		20,000
	-		7		8,585		7		-		8,578		125,000
	5,000		778		5,778		5,778		332		332		25,000
	-		2,268		15,360		2,268		2,709		15,801		65,000
	225,000		62,136		289,603		287,136		1,869,183		1,871,650		2,135,000
	30,000		8,112		38,376		38,112		254,692		254,956		295,000
	10,000		1,648		11,715		11,648		67,643		67,710		75,000
	70,000		24,553		131,638		94,553		620,036		657,121		760,000
	-		(5)		324,907		(5)		-		324,912		700,000
	-		2		2		2		48,543		48,543		55,000
	10,000		978		11,055		10,978		35,070		35,147		40,000
	20,000		6,881		28,470		26,881		146,563		148,152		185,000
	5,000		1,611		6,735		6,611		55,993		56,117		65,000
	-		2,761		2,793		2,761		38,990		39,022		45,000
\$	2,475,000	\$	1,060,804	\$	6,343,190	\$	3,535,804	\$	20,547,436	\$	23,354,822	\$	30,210,000

(Continued)



Eastern Iowa Community College District

Iowa Industrial New Jobs Training Program

Schedule of Expenditures Compared to Budget (Continued)

Year Ended June 30, 2004

	Training and Wages	Administration	Legal and Issue Costs	Subtotal
260E/HF623 (New Jobs Training Program):				
<b>Subtotal forwarded</b>	\$ 2,173,616	\$ 316,674	\$ 317,096	\$ 2,807,386
Kalot Industries, Inc. #3	9,347	1,429	119	10,895
Katun Corporation, #2	38,241	9,955	192	48,388
Lamson & Sessions	3,494	866	160	4,520
Lamson & Sessions II	-	729	4,913	5,642
Lewis Bros., Inc.	-	-	-	-
Lewis Bros., Inc. #2	1,055	230	165	1,450
M.A. Ford Manufacturing Inc.	69	13	68	150
Magnaflux II	-	80	26	106
Maquoketa Company	-	3	15	18
Marco Group	(5,280)	1,336	320	(3,624)
Marley Pump	-	26	135	161
Marmax, Inc. (Minter Wiesman Company)	-	-	-	-
Maverick Industries, Inc.	Company out of bus	-	-	-
MC Industries	-	8	42	50
Metal Tech Mfg. Inc. II	-	5	26	31
Metal Tech Mfg. Inc. III	775	829	35	1,639
Midland Press Corporation I	-	-	-	-
Midland Press Corporation II	-	16	90	106
Midland Press Corporation III	-	46	273	319
Milltech ISI LLC	-	87	463	550
Monsanto Company II	-	127	714	841
Monsanto Company III	-	79	399	478
Musco Lighting	-	-	-	-
Musco Lighting II	33,901	8,100	46	42,047
Musco Lighting III	-	500	3,372	3,872
Nestle Purina I (f/k/a Ralston Purina)	1,879	440	341	2,660
Nestle Purina II	13,024	14,681	274	27,979
Nichols Homeshield, Inc. II	-	-	-	-
Nichols Homeshield, Inc. III	-	25	150	175
Northern Engineering & Plastics Corp. (NEPCO)	-	-	-	-
OFC Panel Processing	16,500	3,983	82	20,565
Olsen Engineering, Inc.	-	-	-	-
Olsen Engineering, Inc. II	1,842	374	162	2,378
Olsen Engineering, Inc. III	-	172	1,156	1,328
Olympic Steel	-	76	456	532
Oscar Mayer Foods Corporation IV	-	59	332	391
Oscar Mayer Foods Corporation V	83,055	19,043	159	102,257
Packaging Technologies	-	32	165	197
Packaging Technologies #2	-	30	152	182
<b>Subtotal forward</b>	\$ 2,371,518	\$ 380,053	\$ 332,098	\$ 3,083,669

Retirement Costs		Current	Less	Prior Period	Total	
Debt	Interest	Year	Retirement	Budgeted	Budgeted	Budget
		Costs	Costs	Costs	Cost	
\$ 2,475,000	\$ 1,060,804	\$ 6,343,190	\$ 3,535,804	\$ 20,547,436	\$ 23,354,822	\$ 30,210,000
-	2,298	13,193	2,298	3,766	14,661	65,000
-	3,693	52,081	3,693	9,376	57,764	105,000
-	1,050	5,570	1,050	1,250	5,770	30,000
-	4	5,646	4	-	5,642	255,000
20,000	19,487	39,487	39,487	90,497	90,497	105,000
15,000	5,891	22,341	20,891	113,805	115,255	175,000
15,000	2,962	18,112	17,962	74,231	74,381	90,000
5,000	1,146	6,252	6,146	25,372	25,478	35,000
-	628	646	628	15,200	15,218	20,000
-	6,168	2,544	6,168	13,804	10,180	175,000
15,000	5,143	20,304	20,143	155,821	155,982	180,000
40,000	4,376	44,376	44,376	251,673	251,673	285,000
5,000	2,726	7,726	7,726	32,130	32,130	40,000
5,000	1,495	6,545	6,495	38,536	38,586	45,000
5,000	1,219	6,250	6,219	29,896	29,927	35,000
-	3,085	4,724	3,085	28,573	30,212	60,000
-	3	3	3	146,655	146,655	160,000
15,000	2,426	17,532	17,426	104,231	104,337	120,000
30,000	9,540	39,859	39,540	250,045	250,364	290,000
65,000	17,444	82,994	82,444	506,730	507,280	615,000
55,000	10,979	66,820	65,979	374,157	374,998	440,000
20,000	7,708	28,186	27,708	11,369	11,847	205,000
5,000	16,728	21,728	21,728	46,665	46,665	50,000
5,000	4,085	51,132	9,085	22,210	64,257	80,000
-	6	3,878	6	-	3,872	175,000
20,000	6,448	29,108	26,448	151,790	154,450	175,000
-	5,340	33,319	5,340	57,501	85,480	150,000
60,000	113,355	173,355	173,355	463,514	463,514	520,000
15,000	4,968	20,143	19,968	137,782	137,957	160,000
10,000	1,064	11,064	11,064	15,463	15,463	80,000
-	1,553	22,118	1,553	1,875	22,440	45,000
30,000	39,598	69,598	69,598	169,056	169,056	190,000
25,000	2,349	29,727	27,349	76,258	78,636	100,000
-	(2)	1,326	(2)	-	1,328	60,000
55,000	14,310	69,842	69,310	418,683	419,215	485,000
115,000	9,297	124,688	124,297	381,713	382,104	440,000
10,000	14,133	126,390	24,133	9,049	111,306	275,000
15,000	3,526	18,723	18,526	74,650	74,847	85,000
20,000	15,853	36,035	35,853	221,776	221,958	255,000
\$ 3,170,000	\$ 1,422,886	\$ 7,676,555	\$ 4,592,886	\$ 25,072,538	\$ 28,156,207	\$ 37,065,000

(Continued)

Eastern Iowa Community College District

Iowa Industrial New Jobs Training Program

Schedule of Expenditures Compared to Budget (Continued)

Year Ended June 30, 2004

	Training and Wages	Administration	Legal and Issue Costs	Subtotal
260E/HF623 (New Jobs Training Program):				
<b>Subtotal forwarded</b>	\$ 2,371,518	\$ 380,053	\$ 332,098	\$ 3,083,669
PCT, Inc. III	-	33	173	206
Per Mar	-	26	147	173
Per Mar II	-	35	195	230
Per Mar III	-	35	182	217
Per Mar IV	-	35	170	205
Per Mar V	31,210	11,815	284	43,309
Phoenix Closures, Inc.	-	14	75	89
Planetary Inc.	-	9	49	58
Planetary Inc. II	-	18	108	126
Plasti-Paint, Inc.	2,082	499	66	2,647
Plastics Unlimited	-	9	49	58
Rock-Tenn Company I	-	6	53	59
Rock-Tenn Company II	-	101	490	591
Rock Tenn Company III	-	1,492	347	1,839
Rock Tenn Company IV	336,000	68,813	12,907	417,720
Satellite Screens, Inc.	-	-	-	-
Schebler	-	902	210	1,112
Schumacher Co.	-	19	122	141
Sears Manufacturing II	-	78	402	480
Sears Manufacturing III	-	1,386	9,345	10,731
Sentry Insurance	378,460	73,515	1,663	453,638
Service Press Corp. (Fidlar/Blue Top)	-	-	-	-
Sivyer Steel Corporation	-	-	-	-
Solar Plastics	-	29	146	175
Stevens Industries	-	1,698	-	1,698
Summit Custom Control	-	6	34	40
Superior Tube Products	960	274	482	1,716
Swiss Valley Farms	113,000	25,168	302	138,470
Trinity Logistics	-	972	6,551	7,523
Twin City Holland Ind	35,396	8,217	174	43,787
Union Tank Car Company	-	472	-	472
Up Electronics	-	-	-	-
ValueRx Pharmacy Programs, Inc.	-	-	-	-
Von Hoffmann Graphics (fka Bawden)	86,078	16,812	442	103,332
Von Maur, Inc.	-	38	194	232
Wells Fargo Home Mortgage	-	886	5,973	6,859
West Liberty Foods	12,461	2,563	210	15,234
Woodforms	-	4	19	23
<b>Total</b>	<b>\$ 3,367,165</b>	<b>\$ 596,032</b>	<b>\$ 373,662</b>	<b>\$ 4,336,859</b>

Retirement Costs		Current Year Costs	Less Retirement Costs	Prior Period Budgeted Costs	Total Budgeted Cost	Budget
Debt	Interest					
\$ 3,170,000	\$ 1,422,886	\$ 7,676,555	\$ 4,592,886	\$ 25,072,538	\$ 28,156,207	\$ 37,065,000
35,000	7,451	42,657	42,451	127,583	127,789	230,000
25,000	4,080	29,253	29,080	189,874	190,047	195,000
15,000	3,020	18,250	18,020	103,719	103,949	120,000
30,000	19,013	49,230	49,013	265,156	265,373	305,000
20,000	11,163	31,368	31,163	186,827	187,032	215,000
10,000	25,400	78,709	35,400	381,584	424,893	490,000
10,000	7,185	17,274	17,185	108,695	108,784	125,000
10,000	1,556	11,614	11,556	55,457	55,515	65,000
10,000	3,689	13,815	13,689	99,249	99,375	115,000
5,000	7,007	14,654	12,007	53,334	55,981	110,000
5,000	1,006	6,064	6,006	26,305	26,363	30,000
10,000	4,824	14,883	14,824	77,982	78,041	90,000
35,000	32,971	68,562	67,971	538,848	539,439	620,000
-	6,718	8,557	6,718	165,380	167,219	190,000
-	(10)	417,710	(10)	-	417,720	490,000
5,000	532	5,532	5,532	13,652	13,652	35,000
-	4,060	5,172	4,060	4,793	5,905	115,000
10,000	3,830	13,971	13,830	107,514	107,655	130,000
70,000	43,753	114,233	113,753	586,851	587,331	675,000
-	(13)	10,718	(13)	-	10,731	485,000
90,000	94,594	638,232	184,594	668,417	1,122,055	1,735,000
5,000	812	5,812	5,812	32,766	32,766	35,000
15,000	37,220	52,220	52,220	103,728	103,728	115,000
10,000	2,790	12,965	12,790	49,567	49,742	75,000
10,000	8,208	19,906	18,208	5,187	6,885	160,000
10,000	2,283	12,323	12,283	83,352	83,392	95,000
-	9	1,725	9	-	1,716	25,000
-	5,840	144,310	5,840	6,877	145,347	165,000
-	(5)	7,518	(5)	-	7,523	340,000
-	3,328	47,115	3,328	3,960	47,747	95,000
5,000	8,003	13,475	13,003	24,893	25,365	30,000
15,000	24,323	39,323	39,323	89,329	89,329	100,000
-	-	-	-	156,406	156,406	225,000
40,000	30,194	173,526	70,194	255,518	358,850	560,000
25,000	19,250	44,482	44,250	281,705	281,937	325,000
-	(3)	6,856	(3)	-	6,859	310,000
20,000	13,302	48,536	33,302	151,327	166,561	265,000
5,000	819	5,842	5,819	12,766	12,789	20,000
\$ 3,725,000	\$ 1,861,088	\$ 9,922,947	\$ 5,586,088	\$ 30,091,139	\$ 34,427,998	\$ 46,570,000

# Eastern Iowa Community College District

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Department of Labor:				
Passed through Iowa Department of Workforce Development:				
Workforce Investment Act -				
Adult Program	17.258	1-W-09-FR-0	\$ 244,543	\$ -
Youth Activities	17.259	1-W-09-FR-0	462,321	-
Dislocated Workers	17.260	1-W-09-FR-0	928,062	-
<b>Total Workforce Investment Act Cluster</b>			<b>1,634,926</b>	<b>-</b>
Employment Service	17.207	1-W-09-FR-0	78,079	-
Disabled Veterans' Outreach Program	17.801	1-W-09-FR-0	6,746	-
Local Veterans' Employment Representative Program	17.804	1-W-09-FR-0	6,161	-
<b>Total Employment Services Cluster</b>			<b>90,986</b>	<b>-</b>
Unemployment Insurance	17.225	1-W-09-FR-0	78,755	-
Welfare-to-Work Grants to States and Localities	17.253	1-W-FR-WA-0-04	5,401	-
One-Stop Career Center Initiative	17.257	1-W-09-FR-0	81,636	-
			<b>165,792</b>	<b>-</b>
Passed through the Iowa Department of Education, Mine Health and Safety Grant	17.600	N/A	11,225	-
<b>Total U.S. Department of Labor</b>			<b>1,902,929</b>	<b>-</b>
U.S. National Science Foundation:				
Direct Programs:				
Education and Human Resources	47.076	N/A	171,845	-
Education and Human Resources	47.076	N/A	153,333	-
Education and Human Resources	47.076	N/A	210,221	-
Passed through Hazardous Materials Training and Research Institute:				
Education and Human Resources	47.076	DUE-0053245	272,645	-
Integrating Advanced Environmental Technology Research Into The Classroom and Into The Community	47.076	DUE-0053247	28,944	-
<b>Total U.S. National Science Foundation</b>			<b>836,988</b>	<b>-</b>
U.S. Small Business Administration:				
Passed through Iowa State University, Small Business Development Center	59.037	N/A	\$ 85,000	\$ -

(Continued)

**Eastern Iowa Community College District**

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Environmental Protection Agency:				
Passed through Hazardous Materials Training and Research Institute:				
Surveys, Studies, Investigations, and Special Purpose Grants	66.606	CX 826210-01-0	\$ 142,917	-
Brownfield Job Training Cooperative Agreements	66.815	CX 826210-01-0	20,214	-
Direct, Environmental Education Grant	66.951	N/A	513	-
<b>Total U.S. Environmental Protection Agency</b>			<b>163,644</b>	<b>-</b>
U.S. Department of Education:				
Direct Programs:				
Student Financial Assistance:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	207,081	-
Federal Family Education Loans:			-	-
Stafford Loans	84.032	N/A	-	9,160,941
PLUS Loans	84.032	N/A	-	41,710
Federal Work-Study Program	84.033	N/A	224,089	-
Federal Pell Grant Program	84.063	N/A	6,429,551	-
<b>Total Student Financial Assistance Cluster</b>			<b>6,860,721</b>	<b>9,202,651</b>
TRIO - Student Support Services	84.042	N/A	264,492	-
			<b>7,125,213</b>	<b>9,202,651</b>
Passed through American Council on Education (ACE), American Council on Education Partnership Program				
	84.000	HNE-A-00-97-00059-00	33,295	-
Passed through Iowa Department of Education:				
Rehabilitation Services Demonstration and Training-Special Demonstration Programs	84.235	2003-DV-02	13,831	-
Adult Education - State Grant Program	84.002	N/A	316,382	-
Vocational Education - Basic Grants to States	84.048	03-02-11-91	326,161	-
Perkins Corrections	84.048A	N/A	9,973	-
			<b>666,347</b>	<b>-</b>
Passed through Georgetown University:				
Cooperative Association of States for Scholarships (CASS)	84.000	LAG-A-00-98-00058-00	225,796	-
Mayor and Local Leaders Exchange	84.000	N/A	32,474	-
<b>Total U.S. Department of Education</b>			<b>\$ 8,083,125</b>	<b>\$ 9,202,651</b>

(Continued)

**Eastern Iowa Community College District**

**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2004**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	New Loans
U.S. Department of Health and Human Services:				
Passed through Iowa Workforce Development, Temporary Assistance for Needy Families	93.558	1-W-09-FR-0	\$ 1,021,825	\$ -
Passed through Iowa Department of Public Health, Preventive Health & Health Services Block Grant	93.991	588-4-HP-06	18,389	-
<b>Total U.S. Department of Health and Human Services</b>			<u>1,040,214</u>	<u>-</u>
U.S. Department of Housing and Urban Development:				
Passed through Iowa Department of Economic Development, Community Development Program	14.228	02-CRL-004	269,548	-
U.S. Department of Agriculture:				
Passed through Iowa Department of Education, Child and Adult Care Food Program	10.558	N/A	12,872	-
Passed through Iowa Department of Workforce Development, State Administrative Matching Grants for Food Stamp Program	10.561	5884NU11	2,505	-
<b>Total U.S. Department of Agriculture</b>			<u>15,377</u>	<u>-</u>
U.S. Department of State Bureau of Educational and Cultural Affairs:				
Direct Programs:				
Drohobych Educational Partnership Program	19.405	N/A	44,211	-
Thailand Educational Partnership Program	19.405	N/A	18,564	-
			<u>62,775</u>	<u>-</u>
National Foundation on the Arts and the Humanities:				
Passed through the Institute of Museum and Library Services, Institute of Museum and Library Services - National Leadership Grants	45.312	NL-10010-01	54,392	-
			<u>\$ 12,513,992</u>	<u>\$ 9,202,651</u>

See Notes to Schedule of Expenditures of Federal Awards.

## **Eastern Iowa Community College District**

### **Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2004**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2. Student Financial Assistance**

The District is responsible only for the performance of certain administrative duties with respect to the Federal Direct Student Loan Program, and accordingly, these loans are not included in its financial statements. It is not practical to determine the balance of the loans outstanding to students and former students of the District under this program as of June 30, 2004.



**Eastern Iowa Community College District**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2004**

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The prior year single audit disclosed no significant findings and no significant uncorrected or unresolved findings existing from prior single audits.

# McGladrey & Pullen

Certified Public Accountants

## **Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

We have audited the basic financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2004, and have issued our report thereon dated October 29, 2004. The discretely presented component units of the District were audited by other auditors or are unaudited and were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not extend to the discretely presented component units. We conducted our audit of the District in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 11 of the Code of Iowa.

## **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Eastern Iowa Community College District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Eastern Iowa Community College District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Comments involving statutory and other legal matters about Eastern Iowa Community College District's operations for the year ended June 30, 2004 are based exclusively on knowledge obtained from procedures performed during our audit of the basic financial statements of Eastern Iowa Community College District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
October 29, 2004

# McGladrey & Pullen

Certified Public Accountants

## **Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133**

To the Board of Directors  
Eastern Iowa Community College District  
Davenport, Iowa

### **Compliance**

We have audited the compliance of Eastern Iowa Community College District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement*, that are applicable to each of its major federal programs for the year ended June 30, 2004. Eastern Iowa Community College District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Eastern Iowa Community College District's management. Our responsibility is to express an opinion on Eastern Iowa Community College District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and Chapter 11 of the Code of Iowa. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Eastern Iowa Community College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Eastern Iowa Community College District's compliance with those requirements.

In our opinion, Eastern Iowa Community College District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

### **Internal Control Over Compliance**

The management of Eastern Iowa Community College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Eastern Iowa Community College District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*McGladrey & Pullen, LLP*

Davenport, Iowa  
October 29, 2004

**Eastern Iowa Community College District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2004**

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**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified?            Yes       X       No
- Reportable condition identified that is not considered to be a material weakness?            Yes       X       None Reported

Noncompliance material to financial statements noted?            Yes       X       No

**Federal Awards**

Internal control over major programs:

- Material weakness identified?            Yes       X       No
- Reportable condition identified that is not considered to be a material weakness?            Yes       X       None Reported

Type of auditor's report issued on compliance for major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            Yes       X       No

Identification of major programs:

CFDA Number	Name of Federal Program
84.007	Federal Supplemental Educational Opportunity Grants (SEOG)
	Federal Family Education Loans (FFEL):
84.032	Stafford Loans
84.032	PLUS Loans
84.033	Federal Work-Study Program (FWS)
84.063	Federal Pell Grant Program
47.076	Education and Human Resources
17.258	Workforce Investment Act (WIA) – Adult Program
17.259	Workforce Investment Act (WIA) – Youth Activities
17.260	Workforce Investment Act (WIA) – Dislocated Workers

**Eastern Iowa Community College District**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2004**

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Dollar threshold used to distinguish between  
type A and type B programs \$651,000

Auditee qualified as low-risk auditee?   X   Yes        No

**II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**

A. Reportable Conditions in Internal Control

The audit of the financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2004 disclosed no matters involving the internal control over financial reporting and its operations that are considered to be material weaknesses.

B. Compliance Findings

The audit disclosed no instances of noncompliance, which are material to the financial statements of Eastern Iowa Community College District as of and for the year ended June 30, 2004.

**III. Findings and Questioned Costs for Federal Awards**

There were no current year audit findings or questioned costs for federal awards.

**IV. Other Findings Related to Required Statutory Reporting**

IV-A-04 Official Depositories

Official depositories have been adopted by the Board. The maximum deposit amounts approved were not exceeded during the year ended June 30, 2004.

IV-B-04 Certified Budget

Disbursements during the year ended June 30, 2004 did not exceed the amounts budgeted in total.

IV-C-04 Questionable Expenditures

No expenditures that we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.

IV-D-04 Travel Expense

No expenditures of District money for travel expenses of spouses of College officials or employee were noted. No travel advances to College officials or employees were noted.

## Eastern Iowa Community College District

### Schedule of Findings and Questioned Costs Year Ended June 30, 2004

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#### IV-E-04 Business Transactions

No business transactions between the District and District officials or employees were noted.

#### IV-F-04 Bond Coverage

Surety bond coverage of College officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure the coverage is adequate for current operations.

#### IV-G-04 Board Minutes

No transactions were found that we believe should have been approved in the Board minutes but were not.

#### IV-H-04 Publication

The District published a statement showing all receipts and disbursements of all funds for fiscal year 2004, including the names of all persons, firms, or corporations to which disbursements were made, as required by Section 260C.14(12) of the Code of Iowa.

#### IV-I-04 Deposits and Investments

No instances of noncompliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the District's investment policy were noted, except for the following:

Finding: The District had one certificate of deposit as of June 30, 2004 that did not meet the statutory time deposit rate requirements.

Recommendation: We suggest the District implement internal procedures to review rates on time deposits to ensure they meet state guidelines.

Response and corrective action: The Bank noted the error during an examination and corrected the time deposit rate retroactively to meet statutory time deposit rate requirements.

Conclusion: Corrective action taken.

#### IV-J-04 Credit/Contact Hours

Eligible credit and contact hours reported to the Iowa Department of Education by the District were supported by detailed records maintained by the District.



**Eastern Iowa Community College District**

**Corrective Action Plan  
Year Ended June 30, 2004**

Comment Number	Comment	Corrective Action Plan	Contact Person	Anticipated Date of Completion
<b>Statutory Reporting:</b>				
IV-I-04	Time deposit rate requirements	Corrective action taken	Lana Dettbarn, Executive Director of Administrative Services	June 2004